

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.

OCTOBER 2018

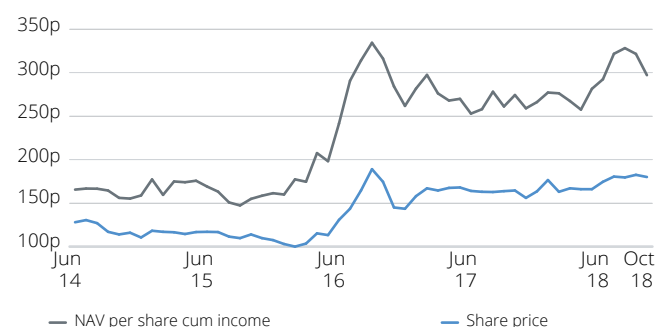
ORDINARY SHARES

Ticker: UTL.L

NAV at launch of UIT*	99.47p
NAV (cum income)	297.04p
Share Price	180.00p
Discount to NAV	(39.4%)
Annual average compound return (including dividends)	12.3%
Historic Dividend paid per share	7.50p
Historic Dividend Yield	4.2%
Ongoing charges figure excluding performance fees	2.1%
Shares in issue	89,493,389

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

PERFORMANCE



PERFORMANCE (Total return including dividends)

	1 month	3 months	1 year	3 years	Inception
Share Price	(1.4%)	0.7%	14.3%	83.7%	308.0%
Net Asset Value	(7.6%)	(7.1%)	11.3%	110.0%	482.3%

ROLLING 12 MONTH PERFORMANCE

(Total return including dividends)

	12 Months to	Oct 18	Oct 17	Oct 16	Oct 15	Oct 14
Share Price	14.3%	(1.2%)	62.6%	6.7%	(16.5%)	
Net Asset Value	11.3%	(10.8%)	111.6%	4.0%	(1.9%)	

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 & PERFORMANCE FEES

Investment Management fee	0.5% 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	134.66p	115.35p	104.72p	102.55p
Share Price	147.00p	128.00p	107.50p	103.75p
Premium to NAV	9.2%	11.0%	2.7%	1.2%
ZDP Cover*	4.20x	2.57x	2.10x	1.81x
Yield to Redemption*	2.7%	3.5%	4.3%	4.9%
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	£486.9m
Bank and other Debt	£55.2m
ZDP shares 2020	£53.1m
ZDP shares 2022	£57.1m
ZDP shares 2024*	£30.5m
ZDP shares 2026+	£25.2m
Shareholders' Funds (Ordinary Shares)	£265.8m
	£486.9m
Gearing (based on AIC definition)	78.0%

*includes 20.0m ZDP shares 2024 held by UIL + includes 13.4m 2026 ZDP shares held by UIL
GEARING AIC – standardised gearing calculation as recommended by the AIC is based on net assets

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

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PERFORMANCE

UIL's NAV total return fell by 7.6% during October, behind the FTSE All Share Total Return Index which was down 5.2% in the month.

After hitting an all-time high in September, US markets corrected in October, with the S&P 500 falling 6.9% as headlines dominated by the fallout from the US-China trade war resulted in a risk-off environment. Large global corporations are signalling concern over future growth and cost inflation, with the likes of Caterpillar highlighting rising manufacturing costs due to the tariffs implemented by the Trump administration.

While the US economic metrics remain buoyant, elsewhere growth is much weaker, with the Eurozone growth rate slowing to its lowest level since 2014, with GDP up just 0.2% in Q3 as the economies of large member countries such as Italy stagnated. The Eurostoxx index fell 5.9%, with local markets such as the Borsa Italiana faring worse, down 8.0%. In other developed markets, the Japanese Nikkei retreated 9.1% and the Australia ASX200 fell 6.1%. Sterling declined 2.0% against the US Dollar but was broadly flat against the Euro and Australian Dollar.

Emerging markets were similarly weak, posting its worst monthly performance since August 2015. The Shanghai Composite Index and Hong Kong's Hang Seng Index were down 7.7% and 10.1% respectively during the month, while the Chinese Renminbi increased slightly, up 0.4% versus Sterling. In Brazil the election of far-right candidate Jair Bolsonaro as the next President pushed the Brazil Bovespa Index up 10.2% and the Real appreciated by 9.7% against Sterling. In Mexico, the Bolsa Index fell 11.2% and the Peso weakened 5.8% against Sterling as President-elect Obrador scrapped a USD 13.0bn airport project.

The combined impact of OPEC cutting its oil demand forecast for 2019 and increased production in the US saw Brent crude prices fall 8.8% to USD 75.47 a barrel. Other industrial metals linked to global trade were also weak, such as copper whose price fell 5.2% in October. Meanwhile the gold price firmed slightly to USD 1,214.76 per ounce, up 1.9%.

PORTFOLIO

There was one change to the constituents of the top ten holdings in UIL during October, with the sale of Vix Verify to GB Group for consideration of AUD 38.3m (approximately £21.2m) in cash. UIL has been invested in Vix Verify since 2011 and the sale realised AUD 15.2m for UIL, in line with its valuation as at end-September.

Replacing Vix Verify in the top ten is Coldharbour Technology Ltd, a UK-based marine technology company which has developed a unique ballast water treatment system using inert gas. To prevent the ecological impact caused by the discharge of ballast water, the International Maritime Organisation has mandated that ships must treat their ballast water. Coldharbour Technology's solution is currently undergoing tests with a view to achieving US Coast Guard approval in mid-2019.

Within the top ten holdings, there was notable weakness in Afterpay Touch's share price, which fell 30.3% in October following the announcement of a proposed inquiry by the Australian Senate into various segments of the finance sector including the buy now, pay later sector. Afterpay Touch released a statement welcoming the inquiry, highlighting that its business model is supported by the retailers rather than consumers.

In the resources sector, Rolute Mining and Zeta Resources' share price fell 4.6% and 2.4% respectively, reflecting wider commodity markets.

Purchases during the month for the portfolio amounted to £3.1m and realisations totalled £10.6m.

DEBT

In October UIL redeemed the 2018 ZDP shares in full through internal cash generation through divestments as well as the use of its loan facility. As a result, bank debt totalled £50.2m at 31 October 2018, drawn in AUD 38.3m and CAD20.0m.

The foreign exchange hedge positions to Sterling were slightly reduced at the month end with the largest change being in NZD where short exposure was almost halved, decreasing by NZD 7.3m. AUD short exposure was reduced by AUD 6.9m and the USD exposure cut by USD 6.6m. At month end the hedges stood at AUD 224.9m, USD 60.0m, NZD 7.4m and EUR 12.0m.

OTHER

UIL's share price ended October at 180.00p, a 1.4% decline over the month. The discount to NAV narrowed to 39.4%.

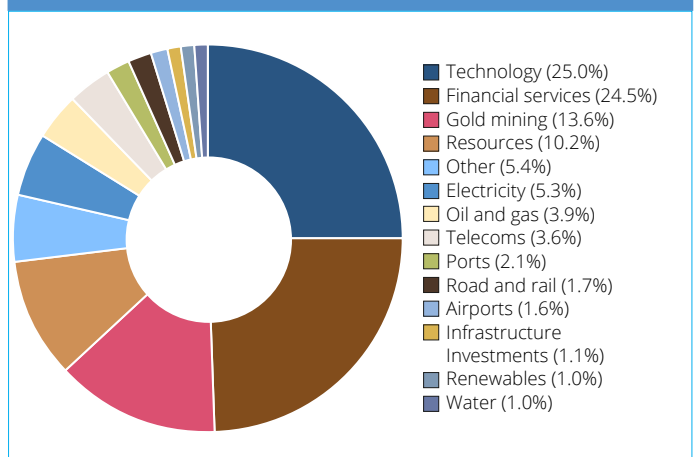
Share prices of the 2020, 2022 and 2026 ZDP shares advanced by 0.7%, 0.4% and 0.7% respectively in October, while the share price of the 2024 ZDP shares fell 0.5%. UIL Finance Ltd cancelled the 20.0m 2024 ZDP shares issued in November 2017.

Charles Jillings
ICM Investment Management Limited and ICM Limited

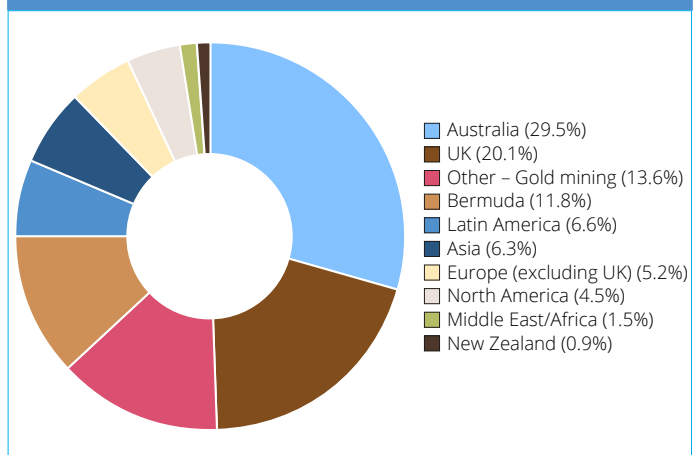
TOP TEN HOLDINGS

	% of gross assets
1. Somers Limited	24.2%
2. Utilico Emerging Markets Trust plc	16.0%
3. Zeta Resources Limited	13.5%
4. Rolute Mining Limited	11.0%
5. Afterpay Touch Group Limited	8.3%
6. Optal Limited	6.6%
7. Vix Tech Pte Ltd	3.5%
8. Bermuda First Investment Company Limited	2.9%
9. Allectus Capital Limited	2.0%
10. Coldharbour Technology Limited	1.4%
Total Top 10	89.4%

SECTOR SPLIT OF INVESTMENTS



GEOGRAPHICAL SPLIT OF INVESTMENTS



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