

A DIVERSE PORTFOLIO BY GEOGRAPHY AND SECTOR

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

**MAY 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.

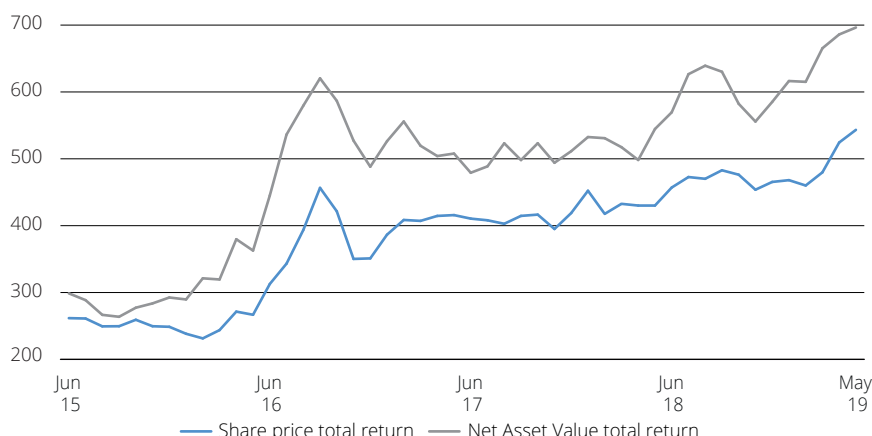
**INVESTMENT APPROACH**

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	3.6%	18.1%	26.3%	103.7%	365.4%
Net Asset Value	1.5%	13.2%	27.9%	92.0%	596.4%

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

12 Months to	May 19	May 18	May 17	May 16	May 15
Share Price	26.3%	3.4%	55.9%	3.7%	2.0%
Net Asset Value	27.9%	7.2%	40.0%	18.0%	16.6%

**FUND DETAILS**
**ORDINARY SHARES**

Ticker: UTL.L

NAV at launch of UIT*	99.47p
NAV (cum income)	350.92p
Share Price	201.00p
Discount to NAV	(42.7%)
Annual average compound return (including dividends)	13.1%
Historic Dividend paid per share	7.50p
Historic Dividend Yield	3.7%
Ongoing charges figure excluding performance fees	2.1%
Shares in issue	88,343,389

\*Utilico Investment Trust plc – UIL's predecessor

**CAPITAL STRUCTURE**

Gross Assets less Current Liabilities	£531.4m
Bank and other Debt	£49.7m
ZDP shares 2020	£55.1m
ZDP shares 2022	£59.2m
ZDP shares 2024	£31.4m
ZDP shares 2026*	£26.0m
Shareholders' Funds (Ordinary Shares)	£310.0m
	£531.4m
Gearing (based on AIC definition)	68.9%

\* includes 12.9m 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.

**ZDP SHARES**

	2020	2022	2024	2026
Accrued Capital Entitlement	140.26p	119.48p	107.58p	105.49p
Share Price	149.50p	130.00p	110.50p	106.50p
Premium / (discount) to NAV	6.6%	8.8%	2.7%	1.0%
ZDP Cover*	4.81x	2.89x	2.35x	2.01x
Yield to Redemption*	2.5%	3.7%	4.2%	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



## PERFORMANCE

During May, UIL's NAV total return was up by 1.5%, in contrast to the FTSE All Share Total Return Index which declined by 3.0% in the month.

Globally markets were generally weaker in May, driven by fears of a global slowdown following the breakdown in trade talks between the USA and China as well as threats of tariffs on Mexican imports to the USA. US interest rate expectations declined, with the market now expecting two rate cuts by the Federal Reserve by the end of 2019, whereas markets had previously been pricing in a flat outlook.

Developed markets corrected sharply, with the S&P Index declining by 6.6%, the Eurostoxx Index fell by 6.7% and the FTSE 100 declined by 3.5%. In the emerging markets, performance was mixed, with China and Mexico unsurprisingly weak. Hong Kong's Hang Seng Index fell 9.4%, the Shanghai Composite fell 5.8% and the Mexican Bolsa Index declined by 4.1%. There were modest gains elsewhere, with India's SENSEX Index up 1.7% on Prime Minister Modi's re-election, Brazil's Bovespa Index up by 0.7% and Malaysia's FTSE Bursa Index up by 0.5%.

Sterling weakened in May as Prime Minister Theresa May announced her resignation timetable. Sterling declined by 3.3% against the US Dollar, 2.8% against the Euro and 1.8% against the Australian Dollar.

In May, Brent crude oil's price declined in response to the weaker global outlook to USD 64.49/bbl, down by 11.4% compared to the price at the end of April. Gold was up by 1.7% to USD 1,305.45 per ounce at the end of May.

## PORTFOLIO

There was one change to the constituents of UIL's top ten investments during May with One Communications (formerly Keytech), the Bermuda and Cayman Islands telecommunications company returning to the top ten, replacing Coldhabour Technology.

Ascendant, the largest holding in BFIC, confirmed shortly after the month end that it had received a bid from Algonquin Power for USD 36.00 per share. BFIC's

NAV was increased by 16.3% to reflect our expectations at the month end that a bid for Ascendant was likely, although this did not capture the full value of the proposed bid.

Despite weakness in emerging markets, Utilico Emerging Markets Trust plc's NAV grew by 3.4% in May and its share price advanced by 1.8%. There was weakness in Afterpay Touch, down by 5.6%, Zeta Resources, down by 4.5% and Resolute Mining, whose share price was 0.4% weaker.

Purchases during the month amounted to £8.5m in balance with realisations which totalled £8.6m.

## DEBT

Bank debt totalled £49.7m as at 31 May 2019, with the underlying positions drawn as AUD 69.0m and CAD 20.0m. Foreign exchange hedge positions to Sterling increased against the Euro from EUR 23.0m to EUR 26.0m. The Australian Dollar, US Dollar and New Zealand Dollar positions remained the same at AUD 144.7m, USD 77.3m and NZD 7.4m respectively.

## OTHER

UIL's share price ended the month at 201.00p, a 3.6% increase. The discount to NAV was at 42.7%.

During the month, UIL bought back 350,000 ordinary shares for cancellation at an average price of 199.57p.

The 2020 ZDP share price remained the same during May at 149.50p, while the 2022 increased by 1.2% to 130.00p, the 2024 by 1.4% to 110.50p and the 2026 by 0.5% to 106.50p during the month.

During May, UIL sold in the market 250,000 2026 ZDP shares issued by its subsidiary, UIL Finance Limited, at a price of 106.00p per 2026 ZDP Share. Following this sale, UIL has a holding of 12.9m 2026 ZDP shares.

On 28 May 2019 UIL declared a third quarterly interim dividend of 1.875p per ordinary share in respect of the year ending 30 June 2019, which will be paid on 28 June 2019 to shareholders on the register on 7 June 2019. The ordinary shares will go ex-dividend on 6 June 2019.

**Charles Jillings**  
ICM Investment Management Limited and ICM Limited

## PORTFOLIO SUMMARY

TOP TEN HOLDINGS	% of Group investments
1 Somers Limited	22.9%
2 Utilico Emerging Markets Trust plc	15.9%
3 Zeta Resources Limited	12.1%
4 Resolute Mining Limited	10.7%
5 Optal Limited	8.6%
6 Afterpay Touch Group Limited	7.7%
7 Bermuda First Investment Company Limited	6.4%
8 Allectus Capital Limited	3.2%
9 Vix Tech Pte Ltd	3.1%
10 One Communications Limited	1.2%
<b>Total Top Ten</b>	<b>91.8%</b>

## SECTOR SPLIT OF INVESTMENTS

Technology	25.6%
Financial Services	23.0%
Gold Mining	12.9%
Resources	9.4%
Electricity	7.5%
Telecoms	4.9%
Other	4.5%
Oil and Gas	3.3%
Ports	2.3%
Road and Rail	1.6%
Infrastructure Investments	1.5%
Water	1.5%
Renewables	1.2%
Airports	0.8%

## GEOGRAPHICAL SPLIT OF INVESTMENTS

Australia	21.9%
Bermuda	14.5%
Other - Gold Mining	12.9%
UK	12.9%
Europe (excluding UK)	12.0%
Asia	7.2%
Latin America	6.6%
North America	6.4%
Middle East / Africa	4.6%
New Zealand	1.0%

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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 the Financial Conduct Authority (FRN: 630094).

