

A DIVERSE PORTFOLIO BY GEOGRAPHY AND SECTOR

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

## JUNE 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

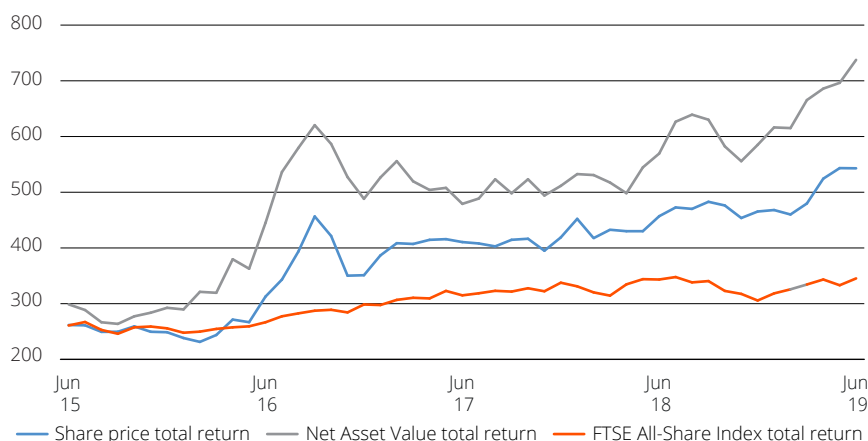
To seek to invest in undervalued investments. This perceived undervaluation may arise from any number of factors, including technological change, market motivation, prospective financial engineering opportunities, competition, management underperformance or shareholder apathy. UIL has the flexibility 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	(0.1%)	13.2%	18.8%	73.6%	443.0%
Net Asset Value	5.9%	10.8%	29.5%	65.7%	637.6%
FTSE All-Share Index total return	3.7%	3.3%	0.6%	29.5%	245.3%

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

12 Months to	Jun 19	Jun 18	Jun 17	Jun 16	Jun 15
Share Price	18.8%	11.3%	31.3%	19.5%	(2.6%)
Net Asset Value	29.5%	18.9%	7.7%	48.9%	6.6%
FTSE All-Share Index total return	0.6%	9.0%	18.1%	2.2%	2.6%

## FUND DETAILS

### ORDINARY SHARES

Ticker: UTL.L

NAV at launch of UIT*	99.47p
NAV (cum income)	369.81p
Share Price	199.00p
Discount to NAV	(46.2%)
Annual average compound return (including dividends)	13.4%
Historic Dividend paid per share	7.50p
Historic Dividend Yield	3.8%
Ongoing charges figure excluding performance fees	2.1%
Shares in issue	88,283,389

\*Utilico Investment Trust plc – UIL's predecessor

### CAPITAL STRUCTURE

Gross Assets less Current Liabilities	£550.0m
Bank and other Debt	£50.9m
ZDP shares 2020	£55.4m
ZDP shares 2022	£59.5m
ZDP shares 2024	£31.6m
ZDP shares 2026*	£26.1m
Shareholders' Funds (Ordinary Shares)	£326.5m
	£550.0m
Gearing (based on AIC definition)	65.8%

\* includes 11.9m 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	141.01p	120.03p	107.97p	105.89p
Share Price	149.50p	132.00p	114.00p	107.50p
Premium / (discount) to NAV	6.0%	10.0%	5.6%	1.5%
ZDP Cover*	4.92x	2.97x	2.42x	2.08x
Yield to Redemption*	2.7%	3.3%	3.7%	4.8%
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

UIL's NAV total return recorded a 5.9% increase in June, ahead of the FTSE All Share Total Return Index which increased by 3.7% in Sterling terms over the same period.

Global markets were strong in June, bolstered by the dovish tone of the US Federal Reserve which signalled a willingness to cut rates in the event that ongoing trade disputes impact the US economic outlook. However, Trump's meeting with Xi Jinping at the G20 summit towards the end of the month delivered a positive outcome, with a planned USD 300bn worth of additional tariffs on Chinese imports halted, at least temporarily, and negotiations seen to be back on track.

The majority of developed market indices recovered last month's losses, with the S&P, Eurostoxx and FTSE 100 up 6.9%, 5.9% and 3.7%, respectively. The emerging markets were equally strong, led by Argentina's Merval which recorded a large 23.1% gain as election volatility continued to move prices. Elsewhere in Latin America, Brazil's Bovespa climbed 4.1% and in Asia, Hong Kong's Hang Seng advanced 6.1%. Thailand was up 6.8% and India's SENSEX was the outlier, declining 0.8% after recording large gains ahead of elections earlier this year.

Looking at currencies, Sterling increased 1.0% against the US Dollar but fell 1.2%, 0.3% and 2.1% against the Euro, Australian Dollar and New Zealand Dollar, respectively, with the weaker USD a reflection of shifting interest rate expectations. Sterling depreciated against the majority of emerging market currencies.

Brent Crude oil gained a further 3.2% over the period, rising to USD 66.55/bbl. Meanwhile, Gold was particularly strong, up 8.0% to USD 1,409.45 per ounce.

## PORTFOLIO

There were no changes to the constituents of UIL's top ten investments during June. Purchases during the month totalled £7.5m and realisations amounted to £7.3m.

Top holding, Somers, recorded a small 1.3% decline, while Utilico Emerging Markets Trust Plc's share price rose 8.0% in response to a 6.0% rise in underlying NAV over the

period. Zeta Resources and Resolute Mining benefitted from an uplift in commodity prices, gaining 10.9% and 19.2%, respectively, and Zeta Resources accepted an offer from Saracen Mineral Holdings for Bligh Resources. Shareholders will receive 0.0369 Saracen shares for every 1 Bligh share. In the technology sector Afterpay climbed 3.8% while Optal's value declined 4.2% over the period.

BFIC's NAV was revised down 28.2%, reflecting the payment of a USD 10.95 per share dividend in specie, with UIL receiving payment in One Communications Limited shares. Ascendant (BFIC's majority investment) announced it had reached an agreement to accept an offer from Algonquin Power which offers shareholders USD 36.00 per share.

## DEBT

Bank debt totalled £50.9m as at 30 June 2019, up 2.4% over the month, with underlying positions drawn as AUD 69.0m, CAD 20.0m and USD 1.1m. Foreign exchange hedge positions into Sterling increased against the US Dollar from USD 77.3m to USD 84.8m. Other hedge positions were stable at EUR 26.0m, NZD 7.4m and AUD 144.7m.

## OTHER

UIL's share price ended the month at 199.00p, a 1.0% decline. The discount to NAV widened from 42.7% to 46.2%.

The 2020 ZDP share price was unchanged at 149.50p, while the 2022 ZDP shares increased by 1.5% to 132.00p, the 2024 ZDP shares increased by 3.2% to 114.00p and the 2026 ZDP shares increased by 0.9% to 107.50p.

During the month, UIL sold in the market 1.0m 2026 ZDP shares issued by its subsidiary, UIL Finance Limited, at a price of 106.50p per 2026 ZDP Share. Following this sale, UIL has a remaining holding of 11.9m 2026 ZDP shares.

UIL paid its third quarterly interim dividend of 1.875p per ordinary share in respect of the year ending 30 June 2019, which was paid on 28 June 2019.

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

**Registered Office:** 34 Bermudiana Road, Hamilton HM 11, Bermuda

**UK Contact:** Telephone: 01372 271 486

## 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).

## PORTFOLIO SUMMARY

TOP TEN HOLDINGS	% of Group investments
1 Somers Limited	21.8%
2 Utilico Emerging Markets Trust plc	16.3%
3 Zeta Resources Limited	12.7%
4 Resolute Mining Limited	12.3%
5 Optal Limited	8.0%
6 Afterpay Touch Group Limited	6.9%
7 Bermuda First Investment Company Limited	4.4%
8 One Communications Limited	4.2%
9 Allectus Capital Limited	3.6%
10 Vix Tech Pte Ltd	1.7%
<b>Total Top Ten</b>	<b>91.9%</b>

## SECTOR SPLIT OF INVESTMENTS

Technology	22.7%
Financial Services	21.8%
Gold Mining	15.0%
Resources	9.4%
Electricity	8.0%
Telecoms	6.2%
Other	4.6%
Oil and Gas	2.7%
Ports	2.4%
Road and Rail	1.8%
Water	1.7%
Infrastructure Investments	1.7%
Renewables	1.3%
Airports	0.7%

## GEOGRAPHICAL SPLIT OF INVESTMENTS

Australia	20.6%
Bermuda	15.4%
Other - Gold Mining	15.0%
UK	11.8%
Europe (excluding UK)	10.9%
Asia	7.4%
Latin America	6.5%
North America	6.1%
Middle East/Africa	5.1%
New Zealand	1.2%

