

**A DIVERSE PORTFOLIO BY GEOGRAPHY AND SECTOR**

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

**AUGUST 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.

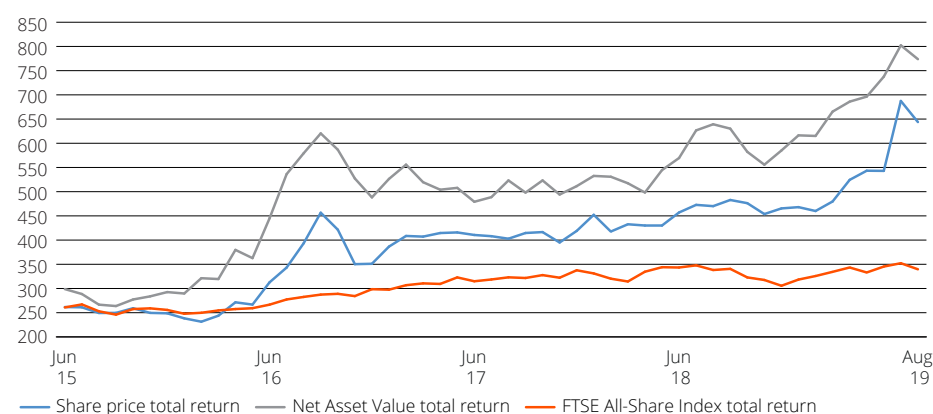
**INVESTMENT APPROACH**

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	(6.3%)	18.5%	36.9%	63.6%	543.8%
Net Asset Value	(3.6%)	11.1%	21.0%	33.5%	673.7%
FTSE All-Share Index total return	(3.6%)	2.0%	0.4%	20.2%	239.7%

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

12 Months to	Aug 19	Aug 18	Aug 17	Aug 16	Aug 15
Share Price	36.9%	15.4%	3.6%	57.8%	(6.5%)
Net Asset Value	21.0%	21.4%	(9.1%)	117.3%	(5.3%)
FTSE All-Share Index total return	0.4%	4.7%	14.3%	11.7%	(2.3%)

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

Ticker: UTL.L

NAV at launch of UIT*	99.47p
NAV (cum income)	387.93p
Share Price	236.00p
Discount to NAV	(39.2%)
Annual average compound return (including dividends)	13.6%
Historic Dividend paid per share	7.50p
Historic Dividend Yield	3.2%
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	£566.9m
Bank and other Debt	£50.1m
ZDP shares 2020	£56.0m
ZDP shares 2022	£60.1m
ZDP shares 2024	£31.9m
ZDP shares 2026*	£26.3m
Shareholders' Funds (Ordinary Shares)	£342.5m
	£566.9m
Gearing (based on AIC definition)	65.3%

\* includes 9.9m 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)

**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	142.72p	121.29p	108.83p	106.78p
Share Price	150.50p	132.00p	117.00p	107.50p
Premium / (discount) to NAV	5.5%	8.8%	7.5%	0.7%
ZDP Cover*	5.11x	3.07x	2.51x	2.15x
Yield to Redemption*	2.5%	3.5%	3.3%	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



## PERFORMANCE

UIL's NAV total return was down 3.6% in August, in line with the FTSE All Share total return Index which also decreased by 3.6% over the same period.

Globally, equity markets were volatile in August and most ended the month weaker than they had been at the end of July. There were worries about the strength of the global economy as the trade war between the US and China intensified, the UK and Germany reported declines in GDP for Q2 2019 and the protests in Hong Kong continued. Bond yields continued to decline, with the 30-year US Treasury yield falling below 2.0% for the first time ever during August.

Developed equity markets declined with the FTSE 100 down by 5.0%, the S&P500 down by 1.8%, the Australian ASX Index down by 3.1% and the Eurostoxx down by 1.2%. Emerging markets' stock markets were weaker, most notably Hong Kong's Hang Seng Index which declined by 7.4%. There was a collapse in the Argentinian equity market and the Peso as the left-wing opposition polled significantly stronger in election primaries than forecast. The Merval Index declined by 41.5% and the currency fell by 25.5% against Sterling in August.

Sterling strengthened against most currencies in August with the exception of the US Dollar, which gained 0.5% against Sterling. Sterling gained 1.7% against the Australian Dollar, 4.1% against the New Zealand Dollar and 0.6% against the Euro. Most emerging markets' currencies were weaker including the Brazilian Real, which fell 8.5% against Sterling, the Mexican Peso, which declined by 4.9% and the Chinese Yuan, which devalued by 3.8%, exceeding CNY 7.00 to the US Dollar for the first time since 2008, with the US declaring China a currency manipulator.

Gold benefited from lowering interest rates and increased economic uncertainty, gaining 7.5% in the month in US Dollar terms to end August at USD 1,520.30 per ounce. Brent Crude oil weakened by 7.3% over the same period.

## PORTFOLIO

There were no changes to the constituents of UIL's top ten investments during August.

Afterpay's results at the end of the month were well received by the market, with its share

price gaining 15.9% for the month. Afterpay continues to grow very strongly, reporting revenue growth of 91% for the year to 30 June 2019.

There was a fall in the share price of UEM, which declined 8.3% during the month, with its discount at the month end expanding to 14.3%. Zeta Resources' share price declined by 15.3%. Despite the strength of the gold price, which gained 10.0% in Australian Dollar terms over the period, Resolute Mining saw a 5.9% decline in its share price during August. Allectus declined by 5.5% with the other investments in the top ten unchanged in value during the month.

There were a number of partial realisations in the month totalling £21.7m, with purchases totalling £4.4m.

## DEBT

Bank debt totalled £50.1m as at 31 August 2019, down marginally over the period due to exchange rate movements, with underlying positions unchanged and drawn as AUD 68.2m and CAD 20.0m. Foreign exchange hedge positions into Sterling remained the same during the period with the FX position being AUD 144.7m, USD 84.8m, EUR 26.0m and NZD 7.4m.

## OTHER

UIL's share price ended the month down 6.3% at 236.00p. The discount to NAV increased to 39.2% from 37.4%.

The 2024 ZDP share price increased by 0.4% to 117.00p, while the share prices of the 2020, 2022 and 2026 ZDP shares were flat for the period at 150.50p, 132.00p and 107.50p, respectively.

During the month, UIL sold in the market 0.3m 2026 ZDP shares issued by its subsidiary, UIL Finance Limited, at a price of 107.50p per 2026 ZDP share. Following this sale, UIL has a remaining holding of 9.9m 2026 ZDP shares.

On 27 August 2019, UIL declared a fourth quarterly interim dividend of 1.875p per ordinary share in respect of the year ended 30 June 2019, which will be paid on 27 September 2019 to shareholders on the register on 6 September 2019.

**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	15.6%
3 Resolute Mining Limited	15.0%
4 Zeta Resources Limited	9.7%
5 Optal Limited	8.1%
6 Afterpay Touch Group Limited	6.6%
7 Bermuda First Investment Company Limited	4.5%
8 One Communications Limited	4.4%
9 Allectus Capital Limited	3.8%
10 Vix Tech Pte Ltd	1.8%
<b>Total Top Ten</b>	<b>91.9%</b>

## SECTOR SPLIT OF INVESTMENTS

Technology	22.9%
Financial Services	22.5%
Gold Mining	16.3%
Resources	7.9%
Electricity	7.6%
Telecoms	6.4%
Other	4.6%
Oil and Gas	2.4%
Ports	2.3%
Infrastructure Investments	1.8%
Road and Rail	1.8%
Water	1.6%
Renewables	1.3%
Airports	0.6%

## GEOGRAPHICAL SPLIT OF INVESTMENTS

Australia	20.2%
Other – Gold Mining	16.3%
Bermuda	15.9%
UK	12.1%
Europe (excluding UK)	10.9%
Asia	7.1%
Latin America	5.9%
North America	5.8%
Middle East/Africa	4.6%
New Zealand	1.2%

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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).

