

A DIVERSE PORTFOLIO BY GEOGRAPHY AND SECTOR

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

SEPTEMBER 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.

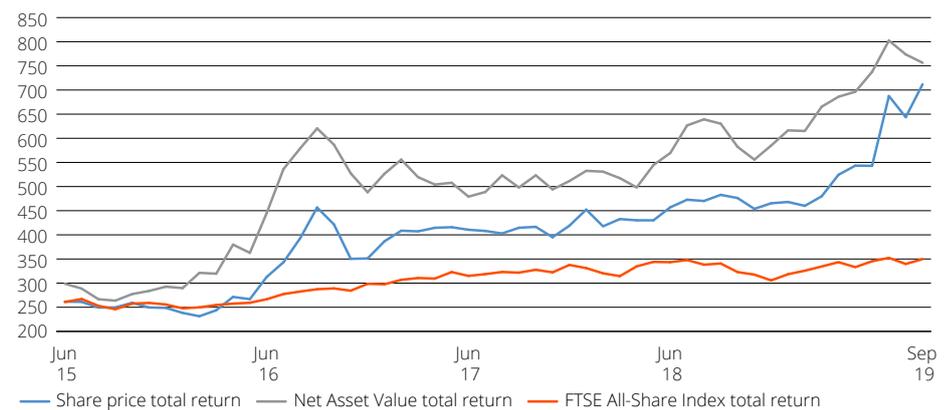
INVESTMENT APPROACH

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

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

*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	10.6%	31.1%	47.4%	55.9%	611.7%
Net Asset Value	(2.2%)	2.6%	20.0%	21.9%	656.5%
FTSE All-Share Index total return	3.0%	1.3%	2.7%	21.7%	249.7%

ROLLING 12 MONTH PERFORMANCE (Total return including dividends)

12 Months to	Sep 19	Sep 18	Sep 17	Sep 16	Sep 15
Share Price	47.4%	16.5%	(9.2%)	82.9%	0.1%
Net Asset Value	20.0%	26.5%	(19.7%)	135.2%	(6.2%)
FTSE All-Share Index total return	2.7%	5.9%	11.9%	16.8%	(2.3%)

FUND DETAILS
ORDINARY SHARES

Ticker: UTL.L

NAV at launch of UIT*	99.47p
NAV (cum income)	377.42p
Share Price	259.00p
Discount to NAV	(31.4%)
Annual average compound return (including dividends)	13.4%
Historic Dividend paid per share	7.50p
Historic Dividend Yield	2.9%
Ongoing charges figure excluding performance fees	2.1%
Shares in issue	87,733,389

*Utilico Investment Trust plc – UIL's predecessor

CAPITAL STRUCTURE

Gross Assets less Current Liabilities	£551.3m
Bank and other Debt	£45.0m
ZDP shares 2020	£56.3m
ZDP shares 2022	£60.5m
ZDP shares 2024	£32.0m
ZDP shares 2026*	£26.4m
Shareholders' Funds (Ordinary Shares)	£331.1m
	£551.3m
Gearing (based on AIC definition)	65.3%

* includes 9.7m 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

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	143.57p	121.92p	109.26p	107.22p
Share Price	151.00p	132.50p	116.00p	108.50p
Premium / (discount) to NAV	5.2%	8.7%	6.2%	1.2%
ZDP Cover*	5.22x	3.07x	2.50x	2.13x
Yield to Redemption*	2.4%	3.4%	3.5%	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 was down 2.2% in September, underperforming the FTSE All Share total return Index which increased by 3.0% over the same period.

September marked the revival of large-scale economic stimulus. The ECB cut deposit rates further into negative territory and announced the reinstatement of a EUR 20bn per month bond-buying programming that is scheduled to run indefinitely. The move came as the bank highlighted "protracted weakness" in the eurozone and stressed the need for tax cuts and increased spending to defend against a fresh crisis. Meanwhile, the Federal Reserve opted for a marginal 0.25% cut to the federal funds rate and a programme to inject USD 90bn to stabilise repo markets amid volatility in short-term lending rates.

Global equity markets were broadly positive. The Eurostoxx, S&P 500 and FTSE 100 ended the month up, 4.2%, 1.7% and 2.8%, respectively. In the UK, Brexit negotiations continue to dominate the political agenda, driving market volatility. Australia's ASX ended the month 1.3% higher as the central bank was widely expected to (and did) cut rates to an all-time low in its meeting on 1 October. The decision follows news that the economy grew at its slowest pace in a decade last quarter, impacted by weaker global growth, US-China trade tensions and a property market downturn.

The Hang Seng Index ended the period up 1.4%, despite escalating pro-democracy protests in Hong Kong in widespread disruption and fresh clashes with the police. The Shanghai Composite was also net positive, up 0.7% despite elevated tensions. The People's Bank of China promised to strengthen "counter-cyclical measures" and ensure "adequate liquidity" for the financial sector, stepping up efforts to protect its economy from the ongoing US trade war.

Sterling strengthened against most currencies in September, rising 1.2%, 2.2% and 1.1% against the US Dollar, Euro and Australian Dollar, respectively.

Gold declined 3.2% over the month as markets read a less dovish tone from the Fed. Brent Crude oil was relatively stable, rising 0.6% over the month.

PORTFOLIO

There was one change to the constituent of UIL's top ten portfolio in September, Ascendant Group replaced Bermuda First Investment Company ("BFIC") as a result of BFIC distributing its holdings in Ascendant by way of dividend. UIL received shares in Ascendant increasing its position by 80.8%.

Afterpay continues to grow with its share price increasing again this month by 15.8%.

Zeta's share price was up 9.8%. Zeta requested a voluntary suspension on the ASX as it seeks to finalise its 30 June 2019 year end audit.

Purchases during the month for the portfolio amounted to £37.3m and realisations totalled £35.4m.

DEBT

Bank debt totalled £45.0m as at 30 September 2019, down from £50.1m, drawn as AUD 60.0m and CAD 19.8m. 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 up 9.7% at 259.00p. The discount to NAV narrowed to 31.4% from 39.2%.

The 2024 ZDP share price decreased by 0.9% to 116.00p, while the share prices of the 2020, 2022 and 2026 ZDP shares all increased, 0.3%, 0.4% and 0.9% for the period, respectively.

During the month, UIL sold in the market 0.2m 2026 ZDP shares issued by its subsidiary, UIL Finance Limited, at a price of 107.75p per 2026 ZDP share. Following this sale, UIL has a remaining holding of 9.7m 2026 ZDP shares.

On 27 September 2019, UIL paid its fourth quarterly interim dividend of 1.875p per ordinary share in respect of the year ended 30 June 2019 to shareholders on the register on 6 September 2019. During September, UIL bought back 550,000 ordinary shares for cancellation at an average price of 254.41p.

Charles Jillings
ICM Investment Management Limited and
ICM Limited

PORTFOLIO SUMMARY

TOP TEN HOLDINGS		% of Group investments
1	Somers Limited	23.4%
2	Utilico Emerging Markets Trust plc	16.3%
3	Resolute Mining Limited	12.9%
4	Zeta Resources Limited	11.9%
5	Optal Limited	8.0%
6	Ascendant Group Limited	4.8%
7	One Communications Limited	4.4%
8	Afterpay Touch Group Limited	4.0%
9	Allectus Capital Limited	4.0%
10	Vix Tech Pte Ltd	1.9%
Total Top Ten		91.6%

SECTOR SPLIT OF INVESTMENTS

Financial Services	23.5%
Technology	20.7%
Gold Mining	14.1%
Resources	10.1%
Telecoms	6.5%
Infrastructure Investments	5.8%
Other	4.9%
Electricity	3.9%
Oil and Gas	2.5%
Ports	2.3%
Road and Rail	2.0%
Water	1.6%
Renewables	1.5%
Airports	0.6%

GEOGRAPHICAL SPLIT OF INVESTMENTS

Australia	21.1%
Bermuda	16.3%
Other – Gold Mining	14.1%
UK	13.0%
Europe (excluding UK)	10.8%
Asia	7.5%
Latin America	6.2%
Middle East/Africa	5.0%
North America	4.9%
New Zealand	1.1%

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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).

