

**A DIVERSE PORTFOLIO BY GEOGRAPHY AND SECTOR**

# Delivering long-term return for shareholders

**DECEMBER 2019**

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

**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

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

Ticker: UTL.L

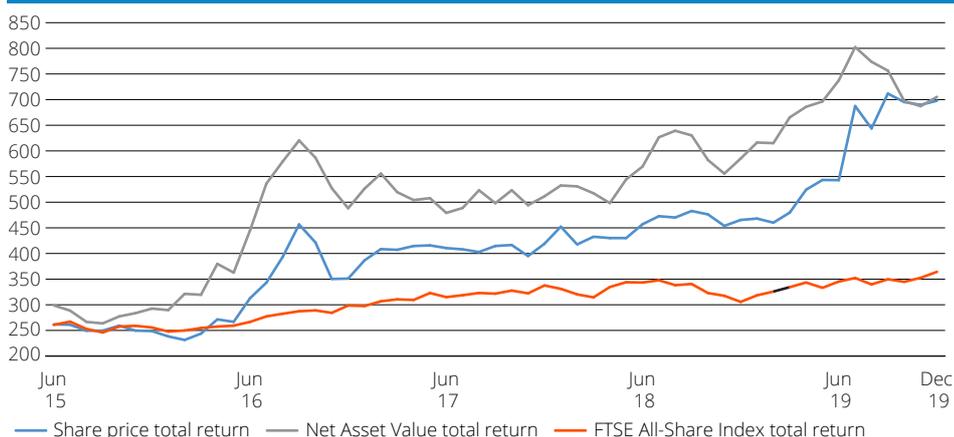
|  |            |
|--|------------|
| NAV at launch of UIT*                                | 99.47p     |
| NAV (cum income)                                     | 349.98p    |
| Share Price  | 252.00p    |
| Discount to NAV                                      | (28.0%)    |
| Annual average compound return (including dividends) | 12.7%      |
| Historic Dividend paid per share                     | 7.50p      |
| Historic Dividend Yield                              | 3.0%       |
| Ongoing charges figure excluding performance fees    | 2.1%       |
| Shares in issue                                      | 86,181,237 |

\*Utilico Investment Trust plc – UIL's predecessor

**ZDP SHARES**

|                             | 2020    | 2022    | 2024    | 2026    |
|-----------------------------|---------|---------|---------|---------|
| Accrued Capital Entitlement | 145.12p | 123.79p | 110.54p | 108.55p |
| Share Price                 | 151.50p | 132.00p | 113.50p | 108.50p |
| Premium/(discount) to NAV   | 3.7%    | 6.6%    | 2.7%    | 0.0%    |
| ZDP Cover*                  | 4.73x   | 2.85x   | 2.33x   | 2.00x   |
| Yield to Redemption*        | 2.7%    | 3.9%    | 4.2%    | 5.0%    |
| 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**


Rebased to 100 as at 14 August 2003

**PERFORMANCE (Total return including dividends)**

|                                   | 1 month | 3 months | 1 year | 3 years | Inception |
|-----------------------------------|---------|----------|--------|---------|-----------|
| Share Price                       | 1.2%    | (2.0%)   | 50.0%  | 98.8%   | 597.7%    |
| Net Asset Value                   | 2.6%    | (6.8%)   | 20.6%  | 44.5%   | 605.3%    |
| FTSE All-Share Index total return | 3.3%    | 4.2%     | 19.2%  | 22.0%   | 264.2%    |

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

| 12 Months to                      | Dec 19 | Dec 18 | Dec 17 | Dec 16 | Dec 15 |
|-----------------------------------|--------|--------|--------|--------|--------|
| Share Price                       | 50.0%  | 11.1%  | 19.3%  | 41.1%  | 3.9%   |
| Net Asset Value                   | 20.6%  | 14.0%  | 5.1%   | 66.9%  | 6.5%   |
| FTSE All-Share Index total return | 19.2%  | (9.5%) | 13.1%  | 16.8%  | 1.0%   |

**CAPITAL STRUCTURE**

|                                       |         |
|---------------------------------------|---------|
| Gross Assets less Current Liabilities | £530.8m |
| Bank and other Debt                   | £51.4m  |
| ZDP shares 2020                       | £57.2m  |
| ZDP shares 2022                       | £61.4m  |
| ZDP shares 2024                       | £32.4m  |
| ZDP shares 2026*                      | £26.8m  |
| Shareholders' Funds (Ordinary Shares) | £301.6m |
|                                       | £530.8m |
| Gearing (based on AIC definition)     | 75.3%   |

\* includes 3.1m 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.



## PERFORMANCE PERFORMANCE

UIL's NAV total return rose by 2.6% during December, this trailed the FTSE All Share Total Return Index which was up by 3.3% in the period.

Developed and emerging market indices generally had a strong end to the calendar year with the S&P Index up 2.9%, the Eurostoxx up 1.1%, the FTSE 100 Index up 2.7% and the MSCI Emerging Markets Index up 4.8% in Sterling terms. In Australia, the ASX 200 Index bucked the global trend and declined by 2.4%.

The US did not impose increased tariffs on Chinese goods in mid-December as it had previously threatened and both sides are expected to sign the first phase of a trade deal in mid-January. It is expected that the Chinese will agree to buy more US agricultural goods and improve intellectual property protection. The market shrugged off the impeachment of Donald Trump, as the chances of the Republican controlled Senate removing the President is seen as zero.

In the UK, the Conservative Party won a decisive victory in the General Election and the new Parliament voted for the country to leave the EU on an agreed deal on 31 January 2020.

In the emerging markets, the hopes of a US-China trade deal and a lower level of protest activity in Hong Kong than had been seen in November, sent the Hang Seng Index up by 7.0% and the Shanghai Composite up by 6.2%. Stock markets were also stronger in Latin America, with the Bovespa Index up 6.8% and a partial recovery in Chile with the IPSA Index up 2.9%.

Sterling appreciated strongly in the wake of the UK election results, although lost some of its gains by the end of the month. Sterling was up by 2.4% against the US Dollar and 0.6% against the Euro, although declined by 1.5% against the Australian Dollar and by 2.6% against the Brazilian Real.

Commodities were stronger in December with Brent Crude Oil up by 5.7%, Copper up 5.9% and Gold up by 3.6% in US Dollar terms.

## PORTFOLIO

There were no changes to the constituents of the top ten holdings in UIL in December. The most significant changes were seen in Resolute Mining, with its share price gaining 9.1%, in response to higher gold prices and excellent drill results in Senegal and Mali announced during the month. Resolute's Syama processing plant is now fully online again after a two month break to fix a fault in its roaster.

Utilico Emerging Markets' share price posted a gain of 6.3% in December, driven by a 3.5% increase in NAV and a narrowing of the discount. Afterpay's share price declined by 7.5% in December and the share price of Zeta Resources was down by 6.0%.

Purchases during the month for the portfolio amounted to £12.5m and realisations were £40,000.

## DEBT

Bank debt increased to £50.9m at the end of December, with the underlying positions drawn as AUD65.0m and CAD22.8m and USD 4.1m. Foreign exchange hedge positions to Sterling were unchanged at AUD 116.3m, USD 65.8m, EUR 19.0m and NZD 5.9m.

## OTHER

UIL's ordinary share price ended the month at 252.00p, a total return of 1.1% for the month of December. The discount to NAV widened to 28.0%. Share prices of the 2020 and 2022 ZDP shares were unchanged at 151.50p and 133.50p respectively. The 2024 ZDP share price declined by 1.3% to 114.50p and the 2026 ZDP share price was down by 0.5% to 108.00p.

During the month, UIL bought back 100,000 ordinary shares at a price of 246.00p. UIL also sold in the market 4.7m 2026 ZDP shares issued by its subsidiary, UIL Finance. Following this sale, UIL has 3.1m 2026 ZDP shares remaining.

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

## PORTFOLIO SUMMARY

| TOP TEN HOLDINGS                     | % of Group investments |
|--------------------------------------|------------------------|
| 1 Somers Limited                     | 23.1%                  |
| 2 Utilico Emerging Markets Trust plc | 16.4%                  |
| 3 Zeta Resources Limited             | 13.6%                  |
| 4 Resolute Mining Limited            | 11.7%                  |
| 5 Optal Limited                      | 7.3%                   |
| 6 Ascendant Group Limited            | 4.6%                   |
| 7 One Communications Limited         | 4.3%                   |
| 8 Allectus Capital Limited           | 4.2%                   |
| 9 Vix Tech Pte Ltd                   | 2.3%                   |
| 10 Afterpay Limited                  | 2.1%                   |
| <b>Total Top Ten</b>                 | <b>89.6%</b>           |

## SECTOR SPLIT OF INVESTMENTS

|                            |       |
|----------------------------|-------|
| Financial Services         | 23.6% |
| Technology                 | 19.1% |
| Gold Mining                | 12.7% |
| Resources                  | 11.9% |
| Telecoms                   | 6.4%  |
| Other                      | 6.1%  |
| Infrastructure Investments | 5.6%  |
| Electricity                | 4.1%  |
| Ports                      | 2.4%  |
| Oil and Gas                | 2.4%  |
| Road and Rail              | 2.2%  |
| Renewables                 | 1.5%  |
| Water                      | 1.4%  |
| Airports                   | 0.6%  |

## GEOGRAPHICAL SPLIT OF INVESTMENTS

|                       |       |
|-----------------------|-------|
| Australia             | 22.8% |
| Bermuda               | 15.8% |
| Other – Gold Mining   | 12.7% |
| UK                    | 12.7% |
| Europe (excluding UK) | 10.1% |
| Asia                  | 8.3%  |
| Latin America         | 7.0%  |
| Middle East/Africa    | 5.0%  |
| North America         | 4.4%  |
| 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 by the Financial Conduct Authority (FRN: 630094).

