

**A DIVERSE PORTFOLIO BY GEOGRAPHY AND SECTOR**

# Delivering long-term return for shareholders

**JANUARY 2020**

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.

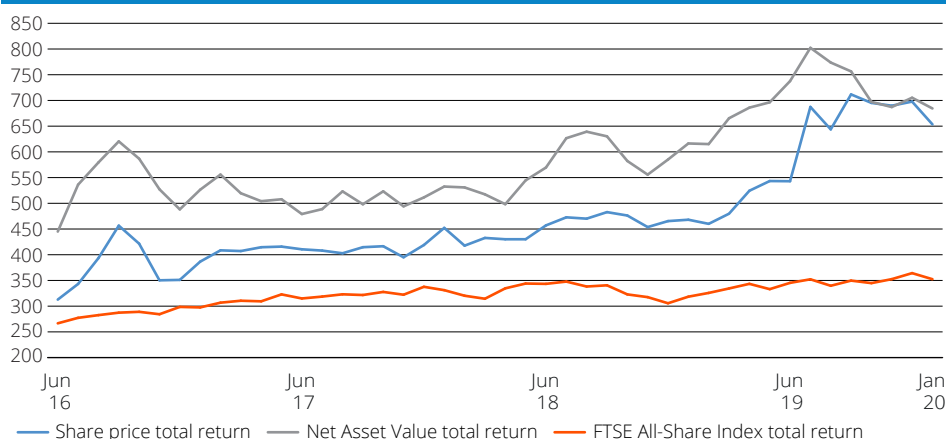
**INVESTMENT APPROACH**

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

**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%)	(6.0%)	39.6%	69.1%	553.4%
Net Asset Value	(3.0%)	(1.8%)	11.0%	30.0%	584.4%
FTSE All-Share Index total return	(3.2%)	2.2%	10.7%	18.4%	252.4%

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

12 Months to	Jan 20	Jan 19	Jan 18	Jan 17	Jan 16
Share Price	39.6%	3.5%	17.0%	62.2%	(7.0%)
Net Asset Value	11.0%	15.7%	1.2%	81.7%	(5.5%)
FTSE All-Share Index total return	10.7%	(3.8%)	11.3%	20.1%	(4.6%)

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

Ticker: UTL.L

NAV at launch of UIT*	99.47p
NAV (cum income)	339.62p
Share Price	236.00p
Discount to NAV	(30.5%)
Annual average compound return (including dividends)	12.4%
Historic Dividend paid per share	7.50p
Historic Dividend Yield	3.2%
Ongoing charges figure excluding performance fees	2.1%
Shares in issue	86,181,237

\*Utilico Investment Trust plc – UIL's predecessor

**CAPITAL STRUCTURE**

Gross Assets less Current Liabilities	£520.7m
Bank and other Debt	£49.2m
ZDP shares 2020	£57.5m
ZDP shares 2022	£61.8m
ZDP shares 2024	£32.6m
ZDP shares 2026*	£26.9m
Shareholders' Funds (Ordinary Shares)	£292.7m
	£520.7m
Gearing (based on AIC definition)	77.3%

\* includes 2.5m 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	147.00p	124.43p	110.98p	109.00p
Share Price	152.00p	132.00p	117.00p	109.00p
Premium/(discount) to NAV	3.4%	6.1%	5.4%	0.0%
ZDP Cover*	4.73x	2.83x	2.31x	1.98x
Yield to Redemption*	2.6%	4.0%	3.6%	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

UIL's NAV total return declined 3.0% in January, outperforming the FTSE All Share total return Index which declined by 3.2% over the same period.

January ended with the World Health Organisation declaring a global health emergency as the outbreak of a novel Coronavirus (2019-nCoV) in the central Chinese city of Wuhan dominated headlines. The rising threat of contagion prompted fears of a sustained global economic slowdown as markets discounted valuations across the board.

Major global indices ended the month lower, with the FTSE 100, Eurostoxx and S&P closing down 3.4%, 2.8% and 0.2%, respectively. Despite this, Australia's ASX hit new highs in January, closing the month up 5.0% as optimism grew for a US-China trade deal. The New Zealand Stock Exchange also had a good run, gaining 2.0% over the month. Major emerging market indices closed the month in negative territory, with Brazil's Bovespa down 1.6% and Hong Kong's Hang Seng down 6.7%, severely impacted by Coronavirus fears.

Sterling declined 0.5% against the US Dollar in January, but recorded gains of 0.8%, 4.5% and 3.7% against the Euro, Australian Dollar and New Zealand Dollar, respectively.

Gold had a strong run, rising 4.6% over the month as investors sought safe-haven assets. Meanwhile, Brent Crude oil was down 11.9% with demand expectations faltering.

## PORTFOLIO

There were no changes to the constituents of UIL's top ten portfolio in January.

Afterpay was the top performer, climbing 31.8% over the month. UEM's NAV and share price were resilient given the market conditions in Asia, down 2.6% and 2.1% respectively, versus the MSCI which was down 4.2%. Zeta Resources was the worst performer, declining 14.3% after top-holding Panoramic Resources made significant downward revisions to its full-year guidance, prompting short-term funding concerns. Meanwhile, Resolute's share price was down 9.1% after they announced a discounted equity raise.

Purchases for the portfolio during the month amounted to £3.3m and realisations totalled £2.6m.

## DEBT

Bank debt totalled £49.2m as at 31 January 2019, down from £50.9m, drawn as AUD 65.0m, CAD 22.8m and USD 4.1m. Foreign exchange hedge positions into Sterling remained the same during the period with the FX position being AUD 116.3m, USD 65.8m, EUR 19.0m and NZD 5.9m.

## OTHER

UIL's share price ended the month down 6.3% at 236.00p. The discount to NAV widened from 28.0% to 30.5%.

The 2022 ZDP share price remained flat at 133.50p, while the share prices of the 2020, 2024 and 2026 ZDP shares increased by 0.3%, 3.1% and 0.5%, respectively.

During the month, UIL sold in the market 0.6m 2026 ZDP shares issued by its subsidiary, UIL Finance. Following this sale, UIL has 2.5m 2026 ZDP shares remaining.

**Charles Jillings**

**ICM Investment Management Limited and ICM Limited**

## PORTFOLIO SUMMARY

TOP TEN HOLDINGS		% of Group investments
1	Somers Limited	23.7%
2	Utilico Emerging Markets Trust plc	16.4%
3	Zeta Resources Limited	13.1%
4	Resolute Mining Limited	10.5%
5	Optal Limited	7.4%
6	Ascendant Group Limited	4.7%
7	One Communications Limited	4.4%
8	Allectus Capital Limited	4.4%
9	Vix Tech Pte Ltd	2.4%
10	Afterpay Limited	2.1%
<b>Total Top Ten</b>		<b>89.1%</b>

## SECTOR SPLIT OF INVESTMENTS

Financial Services	24.3%
Technology	19.7%
Resources	11.7%
Gold Mining	11.5%
Telecoms	6.6%
Other	6.2%
Infrastructure Investments	5.8%
Ports	4.4%
Electricity	4.2%
Oil and Gas	2.3%
Renewables	1.5%
Water	1.2%
Airports	0.6%

## GEOGRAPHICAL SPLIT OF INVESTMENTS

Australia & New Zealand	23.7%
Bermuda	16.1%
UK	13.1%
Other – Gold Mining	11.5%
Europe (excluding UK)	10.2%
Asia	8.6%
Latin America	7.0%
Middle East/Africa	5.5%
North America	4.3%

**Registered Office:** Clarendon House, 2 Church Street, 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 by the Financial Conduct Authority (FRN: 630094).

