

A DIVERSE PORTFOLIO BY GEOGRAPHY AND SECTOR

Delivering long-term return for shareholders

FEBRUARY 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.

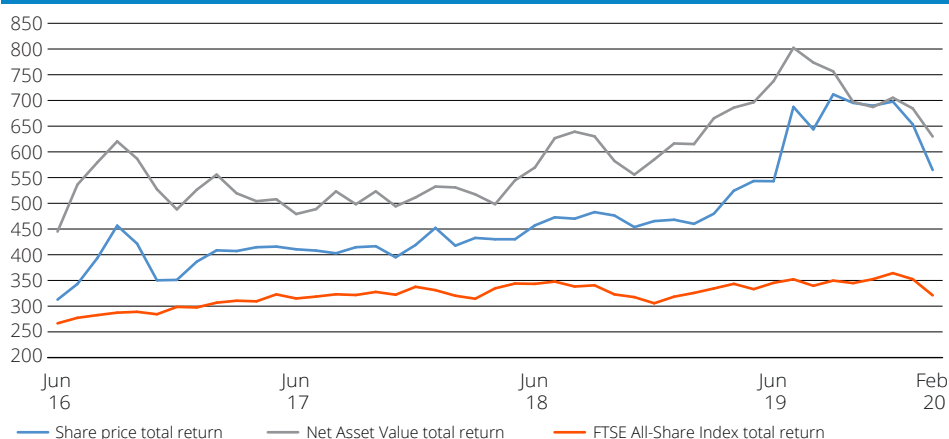
INVESTMENT APPROACH

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

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	(13.6%)	(18.1%)	22.8%	38.3%	464.8%
Net Asset Value	(8.0%)	(8.3%)	2.4%	13.3%	529.9%
FTSE All-Share Index total return	(8.9%)	(8.9%)	(1.4%)	4.7%	221.1%

ROLLING 12 MONTH PERFORMANCE (Total return including dividends)

12 Months to	Feb 20	Feb 19	Feb 18	Feb 17	Feb 16
Share Price	22.8%	10.1%	2.2%	76.6%	(8.7%)
Net Asset Value	2.4%	15.9%	(4.5%)	73.0%	16.5%
FTSE All-Share Index total return	(1.4%)	1.7%	4.4%	22.8%	(7.3%)

FUND DETAILS
ORDINARY SHARES

Ticker: UTL.L

NAV at launch of UIT*	99.47p
NAV (cum income)	312.56p
Share Price	204.00p
Discount to NAV	(34.7%)
Annual average compound return (including dividends)	11.8%
Historic Dividend paid per share	7.50p
Historic Dividend Yield	3.7%
Ongoing charges figure excluding performance fees	2.1%
Shares in issue	85,939,314

*Utilico Investment Trust plc – UIL's predecessor

CAPITAL STRUCTURE

Gross Assets less Current Liabilities	£499.6m
Bank and other Debt	£51.4m
ZDP shares 2020	£57.8m
ZDP shares 2022	£62.1m
ZDP shares 2024	£32.7m
ZDP shares 2026*	£27.0m
Shareholders' Funds (Ordinary Shares)	£268.6m
	£499.6m
Gearing (based on AIC definition)	85.3%

* includes 2.4m 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	147.79p	125.01p	111.38p	109.40p
Share Price	152.00p	132.50p	119.00p	110.00p
Premium/(discount) to NAV	2.8%	6.0%	6.8%	0.5%
ZDP Cover*	4.45x	2.68x	2.19x	1.88x
Yield to Redemption*	2.9%	4.0%	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 declined 8.0% in February, marginally outperforming the FTSE All Share total return Index which declined by 8.9% over the same period.

Concerns over the spread of coronavirus (Covid-19) on a global basis continue to hurt the financial markets with questions being raised around the potential impact on global growth. All major indices as a result were negative with developed and emerging markets equally witnessing poor performance. The UK's FTSE 100 was one of the worst performers down 9.7% for the month with other European markets following suit based on concerns that the coronavirus could send the teetering eurozone economy into recession. The Eurostoxx Index was down 8.6%, the French CAC Index was down 8.5% and the German Dax Index was down 8.4%. The US markets mirrored the performance of the European markets, with the S&P 500 Index down 8.4%, despite earlier in the month the Index witnessing a new record high based on robust job data and President Trump's acquittal in the final impeachment vote. The Australian and New Zealand markets lost the gains made in January, ending the month down 8.2% and 3.9% respectively.

The emerging market echoed the poor performance of the developed markets. The Buenos Aires Merval Index was the worst performer down 12.8% during February, followed by Thailand's Set Index down 11.5%. The Brazil Bovespa was also down 8.4% whilst the Chinese equity markets saw the smallest declines over the month of February with the Shanghai Composite falling 3.2% and the Hong Kong Hang Seng falling marginally by 0.7% as the coronavirus rates in mainland China appear to stabilise.

Sterling depreciating the most against the US Dollar, the Hong Kong Dollar and the Euro by 3.1%, 2.8% and 2.2% respectively whilst appreciating against the Australian Dollar and the New Zealand Dollar by 0.6% and 1.1% respectively.

Gold fell marginally in February, down 0.1% whilst Brent Crude Oil was down 13.1% with demand expectation falling on the back of the spread of the coronavirus.

PORTFOLIO

There were no changes to the constituents of UIL's top ten portfolio in February. Zeta Resources was the best performer over the period down 1.9% whilst UEM's share price was down 10.9% ahead of its NAV which was down 6.3% over the period as the emerging markets continue to be rocked by concerns around coronavirus. Afterpay also saw its share price decline by 13.9% in February after its strong performance in January, in line with the markets. Notwithstanding gold reaching a 52-week high, Resolute's share price was down frustratingly by 59.4% on the back of a AUD 23.3m share placing plan at AUD 1.10 and FY19 result reporting a post-tax loss.

Purchases for the portfolio during the month amounted to £5.9m and realisations totalled £1.9m.

DEBT

Bank debt totalled £49.3m as at 28 February 2020, marginally up from £49.2m seen in the prior month, drawn as AUD 65.0m, CAD 22.8m and USD 4.1m. Foreign exchange hedge positions into Sterling saw slight rotation with the FX position being AUD 106.3m, USD 75.8m, EUR 19.0m and no position being held in NZD.

OTHER

UIL's share price ended the month down 13.6% at 204.00p. The discount to NAV widened from 30.5% to 34.7%.

On 21 February 2020, UIL declared a second quarterly interim dividend of 2.00p per ordinary share in respect of the year ending 30 June 2020, which will be paid on 27 March 2020 to shareholders on the register on 6 March 2020.

The 2020 ZDP share price remained flat at 152.00p, while the share prices of the 2022, 2024 and 2026 ZDP shares increased by 0.4%, 1.7% and 0.9%, respectively.

During the month, UIL bought back 241,923 ordinary shares at an average price of 234.24p. UIL also sold in the market 100,000 2026 ZDP shares issued by its subsidiary, UIL Finance. Following this sale, UIL has 2.4m 2026 ZDP shares remaining.

Charles Jillings
ICM Investment Management Limited and ICM Limited

PORTFOLIO SUMMARY

TOP TEN HOLDINGS		% of Group investments
1	Somers Limited	25.4%
2	Utilico Emerging Markets Trust plc	15.1%
3	Zeta Resources Limited	14.1%
4	Resolute Mining Limited	8.7%
5	Optal Limited	7.0%
6	Ascendant Group Limited	5.0%
7	Allectus Capital Limited	4.8%
8	One Communications Limited	4.7%
9	Vix Tech Pte Ltd	2.6%
10	Afterpay Limited	1.7%
Total Top Ten		89.1%

SECTOR SPLIT OF INVESTMENTS

Financial Services	25.7%
Technology	19.6%
Resources	12.1%
Gold Mining	10.0%
Telecoms	7.0%
Other	6.2%
Infrastructure Investments	6.1%
Electricity	4.0%
Ports	3.9%
Oil and Gas	2.5%
Water	1.2%
Renewables	1.1%
Airports	0.6%

GEOGRAPHICAL SPLIT OF INVESTMENTS

Australia & New Zealand	26.1%
Bermuda	15.6%
UK	13.5%
Other – Gold Mining	10.0%
Europe (excluding UK)	9.9%
Asia	8.2%
Latin America	6.3%
Middle East/Africa	6.2%
North America	4.2%

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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).

