

A DIVERSE PORTFOLIO BY GEOGRAPHY AND SECTOR

Delivering long-term return for shareholders

MARCH 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.

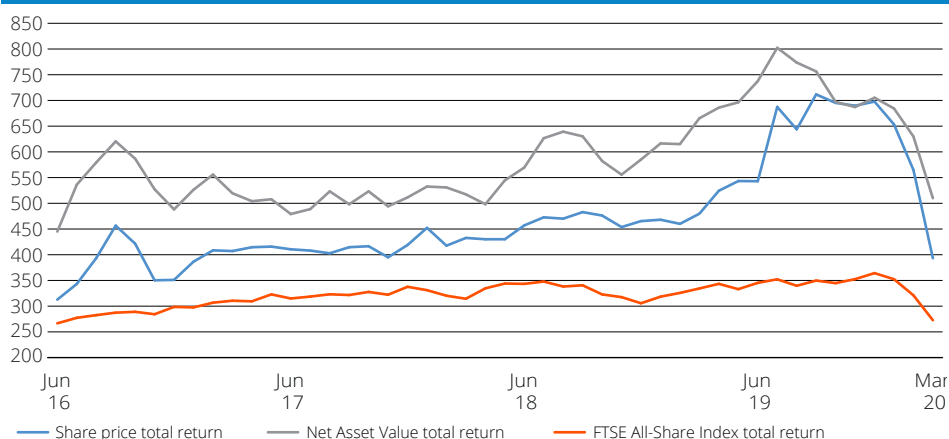
INVESTMENT APPROACH

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	(30.4%)	(43.7%)	(18.0%)	(3.4%)	293.2%
Net Asset Value	(19.0%)	(27.7%)	(23.4%)	(1.8%)	410.0%
FTSE All-Share Index total return	(15.1%)	(25.1%)	(18.5%)	(12.2%)	172.7%

ROLLING 12 MONTH PERFORMANCE (Total return including dividends)

12 Months to	Mar 20	Mar 19	Mar 18	Mar 17	Mar 16
Share Price	(18.0%)	10.9%	6.3%	67.0%	(5.0%)
Net Asset Value	(23.4%)	28.6%	(0.4%)	62.6%	4.5%
FTSE All-Share Index total return	(18.5%)	6.4%	1.2%	22.0%	(3.9%)

FUND DETAILS
ORDINARY SHARES

Ticker: UTL.L

NAV at launch of UIT*	99.47p
NAV (cum income)	251.10p
Share Price	140.00p
Discount to NAV	(44.2%)
Annual average compound return (including dividends)	10.3%
Historic Dividend paid per share	7.63p
Historic Dividend Yield	5.4%
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	£445.3m
Bank and other Debt	£49.0m
ZDP shares 2020	£58.2m
ZDP shares 2022	£62.4m
ZDP shares 2024	£32.8m
ZDP shares 2026*	£27.1m
Shareholders' Funds (Ordinary Shares)	£215.8m
	£445.3m
Gearing (based on AIC definition)	106.3%

* 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	148.69p	125.67p	111.83p	109.87p
Share Price	149.00p	114.00p	89.50p	92.00p
Premium/(discount) to NAV	0.2%	(9.3%)	(20.0%)	(16.3%)
ZDP Cover*	4.04x	2.42x	1.97x	1.69x
Yield to Redemption*	6.9%	10.3%	10.0%	7.9%
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 fell by 19.0% during March, which trailed the FTSE All Share Total Return Index which was down 15.1% in the period.

This month has proven to be one of the most challenging investment environments that ICM has experienced in the past few decades. At the start of the month, market volatility spiked after Saudi Arabia and Russia failed to reach agreement on production cuts, resulting in the Saudis announcing unilateral production hikes, driving the oil price down from over USD 50.00 to just USD 22.74 per barrel. Simultaneously, the coronavirus crisis has escalated worldwide, resulting in the rapid implementation of lockdowns across all major economies. This has resulted in significant market disruption and a flight to safe haven instruments such as the US Dollar.

Developed equity indices witnessed a high level of volatility during the month, with all main markets ending the period materially lower. The S&P 500 declined 12.5%, the FTSE 100 fell 13.8%, Eurostoxx was down 16.3%, and the Australian ASX 200 collapsed 21.2%. Many EM indices fared worse than this, with the Brazilian BOVESPA being a notable underperformer, plummeting 29.9%. Currencies were mixed against Sterling, with the USD and Euro strengthening 3.0% and 2.9% respectively versus Sterling, while the Australian Dollar fell 2.2% against Sterling. Note that these figures understate the considerable swings seen on an intraday basis.

While the social and medical response of governments to the coronavirus crisis has been varied, the economic response has been synchronised and unprecedented – both in the scale and pace of fiscal stimulus. All major Central Banks have cut interest rates which in most developed markets are now at or near zero. Massive fiscal measures – currently estimated to exceed USD 11.0 trillion globally – are being put in place to support households at a time that lockdowns have resulted in economic shutdowns and rapid increases in unemployment.

Unsurprisingly given the economic and political backdrop with OPEC+, commodity prices have fallen, with Brent crude oil crashing down 55.0%, and copper falling 12.5%. Gold has proven more stable, easing just 0.5% during March.

PORTFOLIO

There was one change to the top ten investments in UIL in March, with Orbital Corp replacing Afterpay following relative performance and continued divestment in the latter. Orbital is an industrial technology company listed on the ASX which has patented propulsion systems for the unmanned aerial vehicle (UAV) market. It has offices in Australia and the US and has key contracts with defence companies such as Boeing. Orbital's share price was down 1.2% in March.

The month saw significant declines in the Zeta Resources and UEM share prices, down 34.0% and 22.3% respectively. It was also disappointing to see Resolute Mining's share price decline 14.0%, in a month that has seen a stable gold price and Resolute continue to make considerable progress on its Syama underground mine. Gold production in Q1 at Syama increased by 23.0% on the previous quarter, with total production at 110,763oz.

Of the other top ten positions Optal was down 10.6% and the value of Allectus declined 13.8%. The remainder were broadly unchanged over the month.

Purchases during the month for the portfolio amounted to £3.7m and realisations totalled £2.0m.

DEBT

Bank debt was broadly unchanged on the previous month, at £49.0m, entirely drawn in AUD 99.3m. Foreign exchange hedge positions to Sterling at month-end were at USD 51.6m, EUR 48.9m, AUD 35.0m and CAD 26.2m.

OTHER

UIL's ordinary share price ended the month at 140.00p, a 31.4% decline over the month. The discount to NAV widened to 44.2%. The 2020, 2022, 2024 and 2026 ZDP share prices fell 2.0%, 14.0%, 24.8% and 16.4% to 149.00p, 114.00p, 89.50p and 92.00p respectively.

UIL's second quarterly interim dividend of 2.00p per ordinary share in respect of the year ending 30 June 2020, was paid on 27 March 2020.

Charles Jillings
ICM Investment Management Limited and
ICM Limited

PORTFOLIO SUMMARY

TOP TEN HOLDINGS		% of Group investments
1	Somers Limited	29.7%
2	Zeta Resources Limited	13.8%
3	Utilico Emerging Markets Trust plc	13.1%
4	Resolute Mining Limited	8.2%
5	Optal Limited	7.2%
6	Ascendant Group Limited	5.8%
7	One Communications Limited	5.4%
8	Allectus Capital Limited	4.8%
9	Vix Tech Pte Ltd	2.1%
10	Orbital Corporation Limited	1.4%
Total Top Ten		91.5%

SECTOR SPLIT OF INVESTMENTS

Financial Services	29.8%
Technology	18.1%
Resources	11.1%
Gold Mining	10.3%
Telecoms	7.4%
Infrastructure Investments	6.8%
Other	4.8%
Electricity	3.9%
Ports	3.5%
Oil and Gas	2.1%
Renewables	1.0%
Water	1.0%
Airports	0.2%

GEOGRAPHICAL SPLIT OF INVESTMENTS

Australia & New Zealand	25.4%
Bermuda	18.0%
UK	13.5%
Other – Gold Mining	10.3%
Europe (excluding UK)	9.8%
Asia	7.5%
Middle East/Africa	7.3%
Latin America	4.8%
North America	3.4%

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).

