

A DIVERSE PORTFOLIO BY GEOGRAPHY AND SECTOR

Delivering long-term return for shareholders

MAY 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

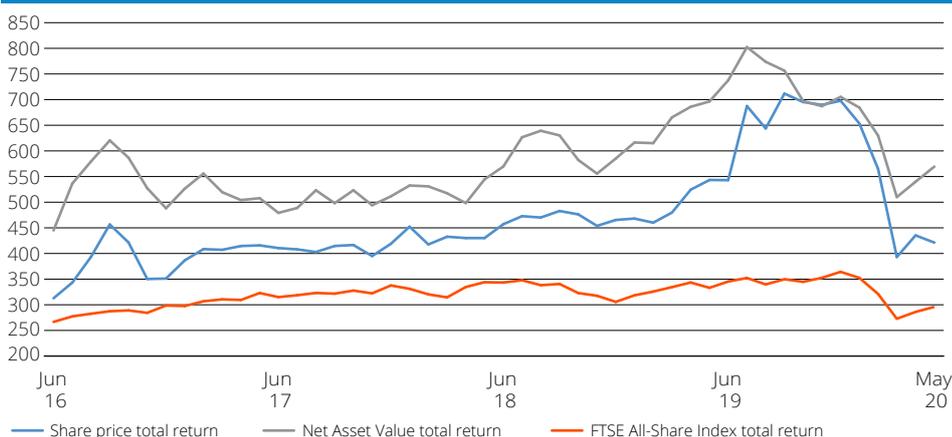
To seek to invest in undervalued investments. This perceived undervaluation may arise from any number of factors, including technological change, market motivation, prospective financial engineering opportunities, competition, management underperformance or shareholder apathy. UIL has the flexibility 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	(3.2%)	(25.4%)	(22.4%)	1.3%	321.3%
Net Asset Value	5.5%	(9.6%)	(18.2%)	12.1%	469.3%
FTSE All-Share Index total return	3.4%	(7.8%)	(11.2%)	(8.4%)	195.9%

ROLLING 12 MONTH PERFORMANCE (Total return including dividends)

12 Months to	May 20	May 19	May 18	May 17	May 16
Share Price	(22.4%)	26.3%	3.4%	55.9%	3.7%
Net Asset Value	(18.2%)	27.9%	7.2%	40.0%	18.0%
FTSE All-Share Index total return	(11.2%)	(3.2%)	6.5%	24.5%	(6.3%)

FUND DETAILS

ORDINARY SHARES

Ticker: UTL.L

NAV at launch of UIT*	99.47p
NAV (cum income)	280.34p
Share Price	150.00p
Discount to NAV	(46.5%)
Annual average compound return (including dividends)	10.9%
Historic Dividend paid per share	7.63p
Historic Dividend Yield	5.1%
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	£481.8m
Bank and other Debt	£58.6m
ZDP shares 2020	£58.8m
ZDP shares 2022	£63.1m
ZDP shares 2024	£33.1m
ZDP shares 2026*	£27.3m
Shareholders' Funds (Ordinary Shares)	£240.9m
	£481.8m
Gearing (based on AIC definition)	99.3%

* 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	150.30p	126.91p	112.67p	110.74p
Share Price	150.50p	126.00p	103.50p	95.25p
Premium/(discount) to NAV	0.1%	(0.7%)	(8.1%)	(14.0%)
ZDP Cover*	4.01x	2.48x	2.04x	1.76x
Yield to Redemption*	7.1%	6.6%	6.8%	7.5%
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 increased by 5.5% during May, ahead of the FTSE All Share Total Return Index which was up by 3.4% in the month.

In May, most markets continued to see positive returns after the sharp losses witnessed in March, as countries began to ease lockdown and central banks and governments continued to cut interest rates, increase stimulus packages as well as announce further support packages for workers and companies

Within Europe, the European Commission proposed a further EUR 750bn for a recovery plan (additional to the EUR 540bn rescue package agreed in April) that will be used to support the European countries which have been worse affected by Covid-19, whilst the ECB indicated that the asset purchase target could be increased. Economic data within the Eurozone also illustrated that activity is starting to pick up post lockdown helping to drive market sentiment. The Eurostoxx Index was up by 4.2% whilst the German Dax Index and the French CAC Index were up 6.7% and 2.7% respectively.

In the US, despite the confirmation of a weaker GDP for 1Q20 which fell 5.0% versus the market expectation of 4.8%, the market remained upbeat with the S&P Index up 4.5%, this was helped by the easing of lockdown which begun by mid-May. The re-emergence of US-China tensions as President Trump threatened to impose compensatory tariffs for Covid-19 as well as delisting Chinese companies from US markets did little to dampen US spirits. However, it did sour the Chinese market as the Shanghai Index was down by 0.3%. The Hong Kong Hang Seng Index was also partly affected, down 6.8% but weakness was primarily fuelled by China's NPC approving the proposal to insert national security laws into the Hong Kong Basic Law. India was also weak in May despite posting an above consensus real GDP rate for 4Q20, as it saw its GDP growth slow to an 11 year low, resulting in the SENSEX Index being down by 3.8% for the month.

Sterling depreciated against most currencies in May as global market sentiment improved and rumblings of a potential no-deal Brexit re-emerged. Sterling depreciated 2.0% against

the US Dollar, 3.3% against the Australian Dollar and 3.5% against the Euro.

The oil market remained highly volatile, with Brent Crude oil up 39.8% to USD 35.33 /bbl for May as the market continues to rebalance after the effect of Covid-19 and record high Middle Eastern exports. The gold price also advanced by 2.6% to USD 1,730.27/oz at the end of May, with copper up 3.0%.

PORTFOLIO

There were no changes to UIL's top ten investments in May.

The best performance within the top ten was Resolute, whose share price was up 30.5% on the back of the successful completion of the second tranche of Resolute's equity raise and also helped by the favourable gold price. Zeta's share price was up by 7.1%.

After Orbital's strong performance in April, the share price was down 16.6% in May, as some investors took profits. Optal's valuation was reduced on the back of WEX's announcement that it was cancelling its agreement to acquire Optal under the material adverse change clause. The Optal board has rejected WEX's position and intend to enforce their contractual rights in the UK courts.

Purchases during the month for the portfolio amounted to £7.9m and realisations totalled £7.9m.

DEBT

The bank debt at the end of May was at £54.9m. The amount borrowed was in Australian Dollars (AUD 102.2m).

Foreign exchange hedge positions to Sterling at month-end were at EUR 60.4m, CAD 52.5m, USD 29.0m and AUD 20.6m.

OTHER

UIL's ordinary share price as at the end of May was 150.00p, down 3.2% over the month. The discount to NAV widened to 46.5%. The 2020, 2022, 2024 ZDP share prices saw no movement over the month, whilst the 2026 ZDP share price fell 0.3%.

On 27 May 2020, UIL declared a third quarterly interim dividend of 2.00p per ordinary share in respect of the year ending 30 June 2020, which will be paid on 26 June 2020 to shareholders on the register on 5 June 2020.

Charles Jillings
ICM Investment Management Limited and
ICM Limited

PORTFOLIO SUMMARY

TOP TEN HOLDINGS		% of Group investments
1	Somers Limited	27.3%
2	Zeta Resources Limited	15.0%
3	Utilico Emerging Markets Trust plc	12.9%
4	Resolute Mining Limited	12.8%
5	Optal Limited	6.4%
6	Ascendant Group Limited	5.3%
7	One Communications Limited	5.0%
8	Allectus Capital Limited	3.9%
9	Orbital Corporation Limited	2.1%
10	Vix Tech Pte Ltd	2.0%
Total Top Ten		92.7%

SECTOR SPLIT OF INVESTMENTS

Financial Services	27.4%
Technology	15.9%
Gold Mining	15.0%
Resources	12.1%
Telecoms	6.9%
Infrastructure Investments	6.2%
Other	5.4%
Electricity	3.8%
Ports	3.0%
Oil and Gas	2.3%
Renewables	0.9%
Water	0.8%
Airports	0.3%

GEOGRAPHICAL SPLIT OF INVESTMENTS

Australia & New Zealand	24.5%
Bermuda	17.7%
Other – Gold Mining	15.0%
UK	10.8%
Europe (excluding UK)	8.7%
Asia	8.2%
Middle East/Africa	7.4%
Latin America	4.4%
North America	3.3%

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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).

