

A DIVERSE PORTFOLIO BY GEOGRAPHY AND SECTOR

Delivering long-term return for shareholders

AUGUST 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.

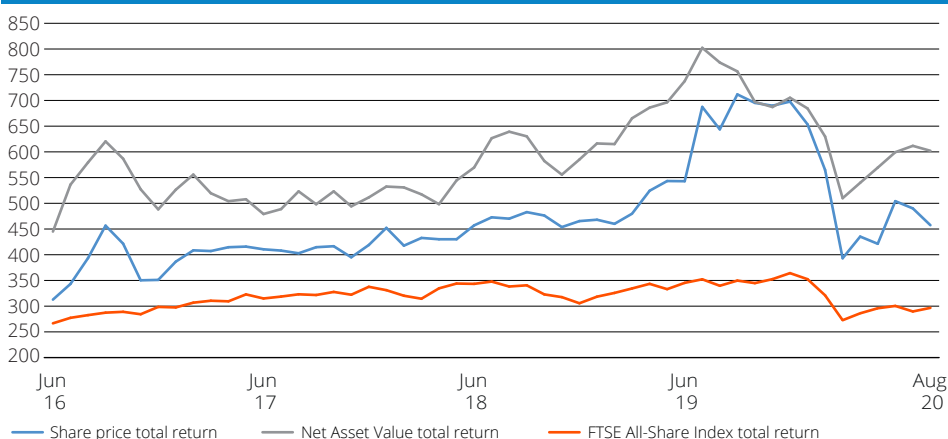
INVESTMENT APPROACH

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	(6.7%)	8.6%	(29.0%)	12.3%	357.4%
Net Asset Value	(1.6%)	5.7%	(22.2%)	14.3%	502.1%
FTSE All-Share Index total return	2.4%	0.3%	(12.6%)	(8.2%)	196.7%

ROLLING 12 MONTH PERFORMANCE (Total return including dividends)

12 Months to	Aug 20	Aug 19	Aug 18	Aug 17	Aug 16
Share Price	(29.0%)	37.0%	15.4%	3.6%	57.8%
Net Asset Value	(22.2%)	21.0%	21.4%	(9.1%)	117.3%
FTSE All-Share Index total return	(12.6%)	0.4%	4.7%	14.3%	11.7%

FUND DETAILS
ORDINARY SHARES

Ticker: UTL.L

NAV at launch of UIT*	99.47p
NAV (cum income)	294.34p
Share Price	161.00p
Discount to NAV	(45.3%)
Annual average compound return (including dividends)	11.1%
Historic Dividend paid per share	7.75p
Historic Dividend Yield	4.8%
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	£491.9m
Bank and other Debt	£54.0m
ZDP shares 2020	£59.7m
ZDP shares 2022	£64.0m
ZDP shares 2024	£33.5m
ZDP shares 2026*	£27.7m
Shareholders' Funds (Ordinary Shares)	£253.0m
	£491.9m
Gearing (based on AIC definition)	93.2%

* 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	152.98p	128.84p	113.98p	112.10p
Share Price	154.50p	124.00p	102.00p	92.50p
Premium/(discount) to NAV	1.0%	(3.8%)	(10.5%)	(17.5%)
ZDP Cover*	4.26x	2.59x	2.12x	1.82x
Yield to Redemption*	1.6%	8.2%	7.6%	8.3%
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 decreased by 1.6% during August, behind the performance of the FTSE All Share Total Return Index which was up by 2.4% in the same period.

Developed equity indices were up during the month, led by a strong performance in a small number of big technology names, especially in the US. Emerging markets' indices were more mixed, with positive performances in China and India and weaker markets in Latin America and South East Asia. China's economic recovery continued to gather pace, as did friction with the US, which we expect to continue in the run up to the US Presidential Election in November.

Countries are continuing to try to balance controlling the spread of coronavirus and maintaining economic, educational and social activity. New cases in the US and across Latin America remain high but are slowly declining whilst India's new daily case numbers continued to steadily grow. Spain and France also reported a worrying resurgence in cases in August. Vaccine trials appear to be progressing well and could lead to mass vaccination programmes during 2021.

The S&P 500 Index's remarkable run continued, up by 7.0% in August, primarily driven by a small selection of technology stocks. Other developed markets also rose, albeit at a lower rate. The FTSE 100 was up by 1.1%, the Eurostoxx gained 3.1% and the Australian ASX 200 advanced by 2.2% in the month.

Sterling strengthened against most currencies during August, gaining 1.6% against the US Dollar and 0.9% against the Euro. However, the Sterling weakened by 0.9% against the Australian Dollar.

Commodities broadly rallied during August on continuing expectations of improving economic activity, with Brent crude oil prices increasing 4.6% and copper up by 6.0%. Gold held on to most of July's 10.9% gain, declining by 0.4%.

PORTFOLIO

There were no changes to UIL's top ten investments in August. The value of three of the top ten investments increased, two declined and the carrying values of five were unchanged.

The share price of Zeta Resources increased 5.6% in the month and the NAV rose by 9.9% in August. The value of Allectus gained 7.4%

following a revaluation of the investment portfolio. The share price of Utilico Emerging Markets Trust plc gained 1.7% in August.

Resolute Mining's share price declined by 14.1% during the month in response to news of the coup in Mali, where its Syama mine is situated. Whilst operations were not directly affected, subsequently, in early September, Resolute withdrew its guidance for the year due to a threat of a strike by workers at Syama. Given the robust level of the gold price, Resolute's share price performance is clearly disappointing.

Orbital's share price declined by 4.4% in August and the share prices of the remainder of the top ten positions were unchanged over the month.

Purchases during the month for the portfolio amounted to £3.9m and realisations totalled £2.1m.

DEBT

Bank debt was unchanged on the previous month, at £50.1m, drawn as AUD 36.8m, GBP 14.9m and EUR 16.7m. Foreign exchange hedge positions to Sterling were unchanged at month-end, AUD 97.1m, USD 80.0m, CAD 31.2m and EUR 27.5m.

OTHER

UIL's ordinary share price ended the month at 161.00p, a 6.7% decline over the month. The discount to NAV widened to 45.3%.

Share prices of the 2020, 2024 and 2026 ZDP shares increased by 1.0%, 1.0% and 0.5% respectively to 154.50p, 102.00p and 92.50p while the 2022 ZDP share price declined by 0.8% to 123.00p. The yield to maturity on the 2020, 2022, 2024 and 2026 ZDP shares stood at 1.6%, 8.2%, 7.6% and 8.3% respectively as at 31 August 2020.

On 24 August 2020, UIL declared a fourth quarterly interim dividend of 2.00p per ordinary share in respect of the year ended 30 June 2020, which will be paid on 25 September 2020 to shareholders on the register on 4 September 2020.

UIL is focused on redemption of the 2020 ZDP shares in late October and realisations will rise over the coming months as ICM executes its strategy for full redemption.

Charles Jillings
ICM Investment Management Limited and ICM Limited

PORTFOLIO SUMMARY

TOP TEN HOLDINGS		% of Group investments
1	Somers Limited	25.4%
2	Zeta Resources Limited	15.7%
3	Utilico Emerging Markets Trust plc	13.2%
4	Resolute Mining Limited	11.7%
5	Allectus Capital Limited	5.2%
6	Optal Limited	4.9%
7	Ascendant Group Limited	4.9%
8	Vix Tech Pte Ltd	4.4%
9	One Communications Limited	3.9%
10	Orbital Corporation Limited	3.5%
Total Top Ten		92.8%

SECTOR SPLIT OF INVESTMENTS

Financial Services	25.5%
Technology	20.6%
Gold Mining	14.8%
Resources	12.4%
Telecoms	5.7%
Infrastructure Investments	5.5%
Other	5.3%
Electricity	3.7%
Ports	3.1%
Oil and Gas	1.5%
Renewables	0.9%
Water	0.7%
Airports	0.3%

GEOGRAPHICAL SPLIT OF INVESTMENTS

Australia & New Zealand	27.4%
Bermuda	15.2%
Other – Gold Mining	14.8%
UK	9.9%
Asia	8.4%
Europe (excluding UK)	8.3%
Middle East/Africa	7.5%
Latin America	4.3%
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).

