

A DIVERSE PORTFOLIO BY GEOGRAPHY AND SECTOR

# Delivering long-term return for shareholders

## JANUARY 2022

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

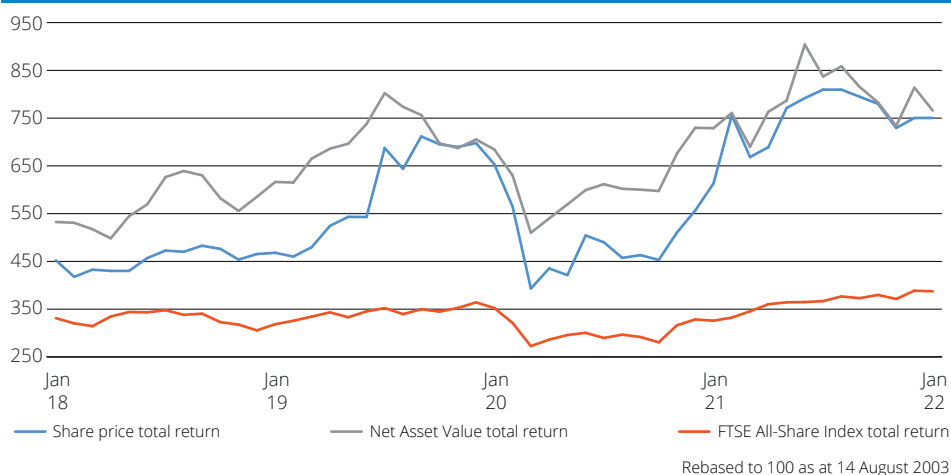
To seek to invest in undervalued investments. This perceived undervaluation may arise from any number of factors, including technological change, market motivation, prospective financial engineering opportunities, competition, management underperformance or shareholder apathy. UIL has the flexibility 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>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
<b>2028 ZDP Shares Expiry</b>	31 October 2028

\*Utilico Investment Trust plc - UIL's predecessor

## PERFORMANCE



## PERFORMANCE (Total return including dividends)

	1 month	3 months	1 year	3 years	Inception
Share Price	0.0%	(3.8%)	22.3%	60.3%	650.3%
Net Asset Value	(5.9%)	(2.2%)	5.1%	24.3%	666.0%
FTSE All-Share Index total return	(0.3%)	2.0%	18.9%	21.7%	287.4%

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

12 Months to	Jan 22	Jan 21	Jan 20	Jan 19	Jan 18
Share Price	22.3%	(6.2%)	39.6%	3.5%	17.0%
Net Asset Value ("NAV")	5.1%	6.5%	11.0%	15.7%	1.2%
FTSE All-Share Index total return	18.9%	(7.5%)	10.7%	(3.8%)	11.3%

## FUND DETAILS

### ORDINARY SHARES

Ticker: UTL.L

NAV at launch of UIT*	99.47p
NAV (cum income)	361.78p
Share Price	250.00p
Discount to NAV	(30.9%)
Annual average compound return (including dividends)	11.6%
Historic Dividend paid per share	8.00p
Historic Dividend Yield	3.2%
Ongoing charges figure excluding performance fees	2.1%
Shares in issue	83,913,718

\*Utilico Investment Trust plc - UIL's predecessor

### CAPITAL STRUCTURE

Gross Assets less Current Liabilities	£500.5m
Bank and other Debt	£56.0m
ZDP shares 2022	£49.9m
ZDP shares 2024	£36.0m
ZDP shares 2026*	£29.8m
ZDP shares 2028**	£25.2m
Shareholders' Funds (Ordinary Shares)	£303.6m
	£500.5m
Gearing (based on AIC definition)	64.0%

\* includes 2.3m 2026 ZDP shares held by UIL

\*\* includes 0.6m 2028 ZDP shares held by UIL

Gearing AIC - standardised gearing calculation as recommended by the AIC is based on net assets

### 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.

### INVESTMENT MANAGEMENT FEE

0.5% of gross assets plus Company Secretarial Fee.

### 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)

### ZDP SHARES

	2022	2024	2026	2028
Accrued Capital Entitlement	140.49p	121.79p	120.18p	104.45p
Share Price	143.50p	122.50p	115.50p	100.00p
Premium/(discount) to NAV	2.1%	0.6%	(3.9%)	(4.3%)
ZDP Cover*	4.59x	3.32x	2.65x	2.20x
Yield to Redemption*	3.3%	4.5%	5.9%	6.4%
ZDP Redemption Value	146.99p	138.35p	151.50p	152.29p
Shares in issue	35.6m	30.0m	25.0m	25.0m
Ticker	UTL.L	UTL.G.L	UTL.H.L	UTL.L.L

\*based on final redemption values



## PERFORMANCE

UIL's NAV total return declined by 5.9% during January, behind the FTSE All-Share total return Index which eased 0.3% over the month.

The global political and economic backdrop continued to present a very challenging investment environment. Negotiations between Russia and NATO stalled with Russian troops gathering on the Ukrainian border. Inflation has soared in developed economies, hitting 7.5% in the USA, its highest rate in forty years. The Federal Bank has quickly turned more hawkish with the markets adjusting to price in several rate rises this year.

Developed markets weakened in January, with the S&P 500 Index down by 5.3%, the Australia ASX 200 falling 6.4% and the Eurostoxx declining by 2.9%. Emerging markets were more mixed, with the Shanghai Composite down by 7.6% while the Brazil Bovespa was up by 7.0%.

Sterling was mixed against most major currencies, with a modest strengthening against the Euro by 0.5% and up 2.2% versus the Australian Dollar but declining by 0.9% against the US Dollar. Sterling saw declines in Brazil and Chile as local central banks raised rates rapidly. In January the Brazilian Real was up 5.9% and the Chilean Peso up 7.7% against Sterling.

Once more Brent crude oil performed strongly, up 17.3% to USD 91.21/bbl and hitting the highest levels since 2014 on concerns over energy supplies given the situation in Ukraine. The copper price declined by 3.1% and gold also decreased by 1.8% to USD 1,797.17/oz.

## PORTFOLIO

There were no changes to UIL's top ten holdings in January 2022.

Somers saw its valuation decline by 5.2%, primarily due to the resumption in trading of PCF Group on AIM following the delayed release of interim results for the first half of 2021. PCF shares were suspended in May 2021 following the identification of weaknesses in PCF's financial processes and procedures and dropped 45.7% in January after trading resumed.

Resolute Mining was notably weak with its share price down by 24.6% following the release of its quarterly results which brought annual volumes in at the low end of downgraded guidance and costs higher than forecast. This disappointment was compounded by a lack of improvement in the balance sheet. Zeta's share price fell by 4.7% on a widening discount, with Zeta's underlying net tangible assets up 1.2%.

After a strong December 2021, Starpharma's share price declined by 20.2%, notwithstanding reporting its quarterly customer receipts up 188.0% in Q4 and strong cash balances. Novareum's valuation was down by 3.0%, outperforming some significant weakness in the blockchain markets. UEM's bid share price was up 2.4%.

Purchases during the month for the portfolio totalled £2.2m and realisations amounted to £1.6m.

## DEBT

Bank debt positions were unchanged in local currency terms in January, with the Sterling liability reducing by 0.4% ending the month at £49.4m. The facility continued to be drawn as AUD 34.2m, USD 30.3m and EUR 10.6m. Foreign exchange hedge positions were maintained, with the only material movement during the period being the Australian Dollar versus the US Dollar which increased by 5.3%. As at month-end, the foreign exchange hedge positions against Sterling were USD 61.3m, AUD 60.6m, CAD 57.8m and EUR 9.0m. In addition, the AUD hedge against USD increased to AUD 10.0m.

## OTHER

UIL's ordinary share price was unchanged at 250.00p. The discount to NAV narrowed to 30.9% from 35.0% as at 31 December 2021. During the month UIL bought back 49,000 shares at an average price of 246.00p.

The share prices of the 2022 and 2028 ZDP shares increased by 0.7% and 1.5% respectively. The share price of the 2026 ZDP shares declined by 1.3% during the month and the share price of the 2024 ZDP shares was unchanged.

**Charles Jillings**  
ICM Investment Management Limited and  
ICM Limited

## PORTFOLIO SUMMARY

TOP TEN HOLDINGS		% of Group investments
1	Somers Limited	39.1%
2	Zeta Resources Limited	19.0%
3	Utilico Emerging Markets Trust plc	15.3%
4	ICM Mobility Limited	9.0%
5	Allectus Capital Limited	5.0%
6	Resolute Mining Limited	2.8%
7	Nautilus Data Technologies Inc	1.5%
8	Starpharma Holdings Limited	1.4%
9	Novareum Blockchain Asset Fund	1.2%
10	Sindoh Co Limited	1.2%
<b>Total Top Ten</b>		<b>95.5%</b>

## SECTOR SPLIT OF INVESTMENTS

Financial Services	39.1%
Technology	18.5%
Resources	17.2%
Other	7.7%
Gold Mining	4.6%
Ports	3.5%
Electricity	2.0%
Oil and Gas	1.8%
Telecoms	1.8%
Renewables	1.3%
Infrastructure Investments	1.1%
Airports	0.8%
Water	0.6%

## GEOGRAPHICAL SPLIT OF INVESTMENTS

Australia	33.8%
North America	18.5%
UK	14.1%
Asia	11.5%
Europe (excluding UK)	6.8%
Other - Gold Mining	4.6%
Bermuda	4.2%
Latin America	4.1%
New Zealand	1.3%
Middle East/Africa	1.1%

**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).

