

A DIVERSE PORTFOLIO BY GEOGRAPHY AND SECTOR

Delivering long-term return for shareholders

JULY 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.

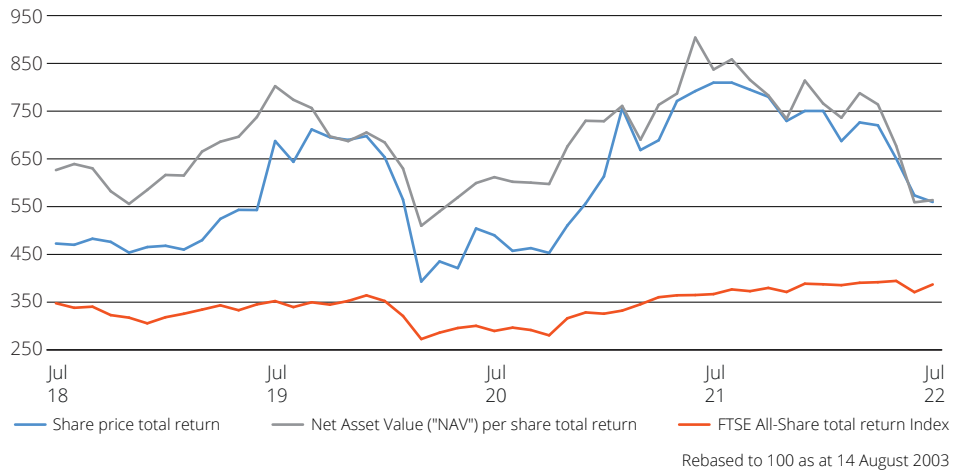
INVESTMENT APPROACH

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

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
2022 ZDP shares expiry	31 October 2022
2024 ZDP shares expiry	31 October 2024
2026 ZDP Shares Expiry	31 October 2026
2028 ZDP Shares Expiry	31 October 2028

*Utilico Investment Trust plc - UIL's predecessor

PERFORMANCE

PERFORMANCE (Total return including dividends)

	1 month	3 months	1 year	3 years	5 years	Inception
Share Price	(2.4%)	(22.3%)	(30.9%)	(18.6%)	37.2%	459.7%
Net Asset Value per share	0.8%	(26.2%)	(32.7%)	(29.7%)	15.3%	463.7%
FTSE All-Share Index	4.4%	(1.2%)	5.5%	9.9%	21.5%	287.1%

ROLLING 12 MONTH PERFORMANCE (Total return including dividends)

12 Months to	Jul 22	Jul 21	Jul 20	Jul 19	Jul 18
Share Price	(30.9%)	65.2%	(28.7%)	45.4%	15.9%
Net Asset Value per share	(32.7%)	36.8%	(23.8%)	28.1%	28.2%
FTSE All-Share Index	5.5%	26.6%	(17.8%)	1.3%	9.2%

FUND DETAILS
ORDINARY SHARES

Ticker: UTL.L

NAV per share at launch of UIT*	99.47p
NAV per share (cum income)	262.79p
Share price	183.00p
Discount to NAV	(30.4%)
Annual average compound return (including dividends)	9.5%
Historic dividend paid per share	8.00p
Historic dividend yield	4.4%
Ongoing charges figure excluding performance fees	2.1%
Shares in issue	83,842,918

*Utilico Investment Trust plc - UIL's predecessor

CAPITAL STRUCTURE

Gross Assets less Current Liabilities	£415.7m
Bank and other Debt	£50.5m
ZDP shares 2022	£51.4m
ZDP shares 2024	£37.0m
ZDP shares 2026*	£30.5m
ZDP shares 2028**	£26.0m
Shareholders' Funds (Ordinary Shares)	£220.3m
	£415.7m
Gearing (based on AIC definition)	87.5%

* 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.

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ZDP SHARES

	2022	2024	2026	2028
Accrued Capital Entitlement	144.68p	124.60p	123.09p	107.35p
Share Price	144.00p	123.00p	114.50p	97.00p
Premium/(discount) to NAV	(0.5%)	(1.3%)	(7.0%)	(9.6%)
ZDP Cover*	4.03x	2.87x	2.27x	1.88x
Yield to Redemption*	8.5%	5.4%	6.8%	7.5%
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 was up slightly by 0.8% for the month, underperforming the FTSE All Share total return Index which was up by 4.4% over the same period.

During July, the majority of global equity markets saw a rebound as the US Federal Reserve indicated that the pace of policy tightening that has been witnessed recently may relent from here, implying that interest rate cuts could be on the horizon in 2023. This anticipated pivotal change in policy arose as the US reported a second quarter of negative GDP growth of 0.9% implying that the US is technically in recession, albeit the strong labour market means that it is unlikely to be formally declared. Nevertheless, strong inflationary pressures remain with the US in July reporting a consumer price index increase of 9.1%.

The change in direction of the Federal Reserve's interest rate policy supported growth assets, helping the S&P Index increase by 9.1% in July and supported the Eurozone which saw the Eurostoxx up by 7.3%, the CAC 40 up by 8.9% and the DAX Index up by 5.5%. The European Central Bank during July did increase interest rates more than expected by 50bps, taking the eurozone out of negative rates.

Heightened concerns remain over energy supplies within Europe as Nord Stream 1 pipeline (a pipeline that supplies gas from Russia to Germany), which was closed for maintenance, did re-open during July but at reduced capacity. July also witnessed the collapse of the Italian government, with Mario Draghi resigning following the failure of his national unity government. The UK also saw the end of Boris Johnson as Prime Minister, triggering a leadership contest.

The Chinese market was one of the outliers in July with the Shanghai Composite down by 4.3% and the Hang Seng Index was down by 7.8%. President Xi's zero tolerance Covid-19 policy continued to dampen the markets as the spread of the Omicron variant resulted in tight new covid lockdown measures being implemented across several cities. Concerns around the property sector also continued to increase, whilst economic data published in July was mixed with 2Q GDP expanding at its slowest rate since 2020 at 0.4% year on year, yet June's exports data reported 17.9% growth year on year.

Sterling performance in July was mixed, appreciating by 2.7% against the Euro and

marginally up against the US Dollar by 0.2%, but depreciated by 1.3% against the Australian Dollar and 0.4% against the Brazilian Real.

The Brent Crude oil price continued to give up some of the gains witnessed earlier in the year, ending July at USD 110.01, a decline of 4.2% for the month with copper also declining by 3.8%. Gold declined by 2.3%, ending the month at USD 1,765.94/oz.

PORTFOLIO

There was one change to the top ten constituents in July with Carebook Technologies replacing Starpharma, on the back of Starpharma's weaker share price performance. Carebook is a Canadian healthcare software company that provides digital health solutions and virtual care for pharmacies, insurance providers, governments, and businesses.

Somers' valuation increased by 7.7%, primarily due to a 15.7% increase in Resimac's share price, its largest holding. Zeta's share price declined by 19.7% during the month as a result of weakening commodity prices whilst UEM's NAV increased marginally, and its share price remained the same. Resolute Mining's share price rose by 22.2%, Panoramic Resources' share price was down by 2.6% and AssetCo's share price was down by 11.1% for the month of July.

Somers announced on 8 July 2022 that its board of Directors was recommending the offer by SNB Investments (of which UIL is a major shareholder) to acquire all of the Somers' shares that the SNB shareholders do not own. Somers' shareholders voted in favour of the offer at the Special General Meeting on 20 July 2022 and the merger with SNB Investments Limited has now completed.

Purchases during the month for the portfolio totalled £4.5m and realisations amounted to £8.9m.

DEBT

The bank debt positions in July remained marginally the same and the facility was drawn as AUD 33.5m, USD 26.3m and EUR 10.4m with the liability in Sterling terms reducing from £51.1m at the end of June to £49.6m as at 31 July 2022.

For July, the foreign exchange hedge positions for the Australian Dollar and Euros was unchanged at AUD 52.1m and EUR 9.0m. The CAD 27.5m was reduced from CAD 44.3m as at 30 June 2022.

OTHER

UIL's ordinary share price decreased by 2.4% to 183.00p. The discount to NAV was 30.4% as at 31 July 2022.

PORTFOLIO SUMMARY

TOP TEN HOLDINGS		% of Group investments
1	Somers Limited	38.6%
2	Utilico Emerging Markets Trust plc	14.5%
3	Zeta Resources Limited	12.6%
4	ICM Mobility Group Limited	12.4%
5	Allectus Capital Limited	6.2%
6	Resolute Mining Limited	2.9%
7	Resimac Group Limited	2.6%
8	Panoramic Resources Limited	1.6%
9	AssetCo plc	1.2%
10	Carebook Technologies Inc	1.1%
Total Top Ten		93.7%

SECTOR SPLIT OF INVESTMENTS

Financial Services	41.4%
Technology	25.3%
Resources	12.2%
Gold Mining	4.9%
Other	3.6%
Ports	3.0%
Electricity	2.7%
Renewables	1.9%
Telecommunications	1.5%
Oil and Gas	1.2%
Airports	0.8%
Water	0.8%
Infrastructure Investments	0.7%

GEOGRAPHICAL SPLIT OF INVESTMENTS

Australia	36.8%
UK	13.8%
Asia	9.8%
USA	9.1%
Europe (excluding UK)	7.9%
Bermuda	5.8%
Canada	4.8%
Other – Gold mining	4.8%
Latin America	4.2%
New Zealand	1.8%
Middle East/Africa	1.2%

The share price of the 2022 ZDP shares was unchanged. The share price of the 2024 ZDP shares was up slightly by 0.4%, and the share prices of the 2026 and 2028 ZDP shares were down 0.9% and 2.0% respectively.

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Important Notes

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