

## A DIVERSE PORTFOLIO BY GEOGRAPHY AND SECTOR

# Delivering long-term return for shareholders

### NOVEMBER 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

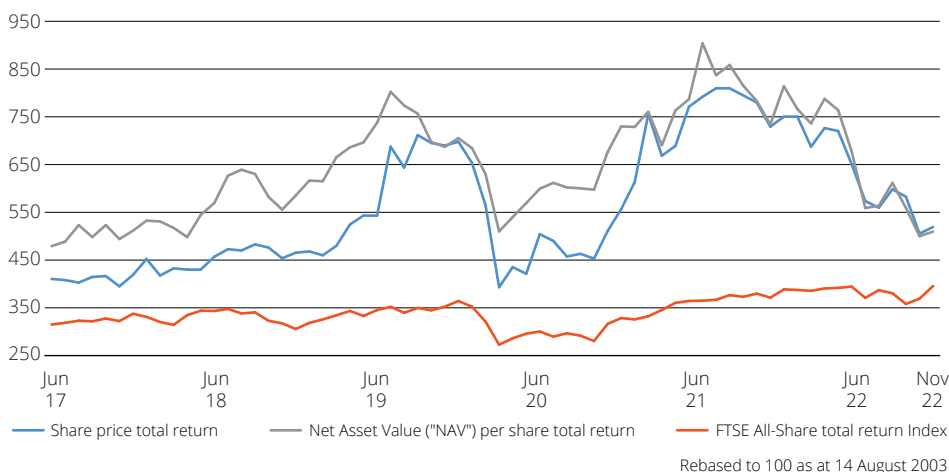
To seek to invest in undervalued investments. This perceived undervaluation may arise from any number of factors, including technological change, market motivation, prospective financial engineering opportunities, competition, management underperformance or shareholder apathy. UIL has the flexibility 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
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	2.8%	(13.2%)	(28.8%)	(24.7%)	31.5%	419.3%
Net Asset Value per share	1.9%	(16.7%)	(30.6%)	(25.8%)	3.1%	409.6%
FTSE All-Share Index	7.1%	4.0%	6.5%	12.2%	22.8%	295.6%

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

12 Months to	Nov 22	Nov 21	Nov 20	Nov 19	Nov 18
Share Price	(28.8%)	42.9%	(26.0%)	52.0%	14.9%
Net Asset Value per share	(30.6%)	8.6%	(1.6%)	23.7%	12.5%
FTSE All-Share Index	6.5%	17.4%	(10.3%)	11.0%	(1.5%)

### FUND DETAILS

ORDINARY SHARES	Ticker: UTL.L
NAV per share at launch of UIT*	99.47p
NAV per share (cum income)	235.74p
Share price	168.00p
Discount to NAV	(28.7%)
Annual average compound return (including dividends)	8.8%
Historic dividend paid per share	8.00p
Historic dividend yield	4.8%
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	£348.6m
Bank and other Debt	£55.8m
ZDP shares 2024	£37.6m
ZDP shares 2026 <sup>(1)</sup>	£31.0m
ZDP shares 2028 <sup>(2)</sup>	£26.5m
Shareholders' Funds (Ordinary Shares)	£197.7m
	£348.6m
Gearing (based on AIC definition)	75.0%

<sup>(1)</sup> includes 2.3m 2026 ZDP shares held by UIL

<sup>(2)</sup> 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	2024	2026	2028
Accrued Capital Entitlement	126.58p	125.15p	109.41p
Share Price	124.00p	113.50p	95.00p
Premium/(discount) to NAV	(2.0%)	(9.3%)	(13.2%)
ZDP Cover <sup>+</sup>	3.58x	2.58x	2.01x
Yield to Redemption <sup>+</sup>	5.9%	7.6%	8.3%
ZDP Redemption Value	138.35p	151.50p	152.29p
Shares in issue	30.0m	25.0m	25.0m
Ticker	UTL.G.L	UTL.H.L	UTL.L.L

<sup>+</sup>based on final redemption values



## PERFORMANCE

UIL's NAV total return was up 1.9% for the month, underperforming the FTSE All Share Index which was up by 7.1% over the same period.

Global markets in November were much more positive, continuing the recovery witnessed in October. Despite the Federal Reserve and the Bank of England increasing interest rates a further 75bps to 4.0% and 3.0% respectively, investor sentiment improved on hopes that inflation pressures may have peaked and that the pace of interest rate rises may slow. The November US CPI increasing to 7.7% was lower than expected whilst US non-farm payroll data indicated that the US employment market had cooled marginally. Within Europe, inflation also eased to 10.0% from the 10.6% witnessed in October.

Global markets were further supported by signs that Chinese policymakers are slowly prepared to relax some of their zero-Covid policies on the back of rising social unrest as well as offer some support to the property markets via a 16-point rescue plan. Furthermore, the first in person meeting between President Xi and President Biden at the G20 summit in Indonesia in which they agreed to resume cooperation in key areas, also helped fuel the optimism in the markets. The Hang Seng was up 26.6% for the month.

With the expectation of softer US inflation, a weaker Dollar and lower US interest rates, the majority of markets in November saw strong returns. The S&P 500 was up 5.4% for the period whilst the FTSE 100 was up 6.7% and the Eurostoxx Index up 9.6%. One outlier for the period was the Brazilian Bovespa Index which was down 3.1%. November was the first month after the Brazilian general elections and President-elect Lula asked Congress for a waiver to increase and extend social benefits promised during his campaign, creating volatility in the local market about the sustainability of the country's fiscal accounts. Subsequently this has put into question Brazilian inflationary outlook and the monetary easing expected to start in 2023.

Sterling continued to recover some of its losses against the US Dollar, up 3.4% and also appreciated against the Hong Kong Dollar, up 2.9%, although depreciation against the Euro was down 0.7% and against the Australian Dollar Sterling was down 1.2% in November.

Commodities were mixed with Brent Crude oil falling 9.9% for the month, primarily due to concerns about weaker demand globally whilst gold rallied 8.3% to USD 1,768.52/oz, its highest price since July 2022 following the positive comments by the Federal Bank supporting slow rate increases which helps non-yielding assets.

**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).

The weaker US Dollar also helped make metals cheaper, resulting in copper being up 10.5% over the month.

## PORTFOLIO

There were no changes to the top ten constituents of UIL's portfolio in November. Performance within the portfolio was overall positive.

Panoramic, the Australian listed nickel-copper-cobalt producer saw its share price up 21.4% in November, clawing back some of the losses witnessed in recent months, as the commodity sector has been helped by prospects of a weaker Dollar. Also, at the end of October, Panoramic announced its 1Q23 production results which were positive with production in line with market expectations and FY23 guidance maintained. Resimac was also up 10.1% helped by the expectation that interest rate rises will slow. Resolute Mining was down 20.5% for the period, impacted by the announcement of an institutional placement of up to AUD 200m (AUD 140m underwritten and AUD 60m non-underwritten) with the proceeds of the AUD 140m to be used to deleverage the balance sheet. The placement was completed at the beginning of December at a 23.8% discount.

## DEBT

During November, bank borrowings in Sterling continued to be maintained at £50.0m.

The Australian Dollar and Canadian Dollar hedges were also fully closed out in the month.

## ZDP SHARES

After the redemption of the 2022 ZDP shares in October, three classes of ZDP shares remain, expiring on 31 October in 2024, 2026 and 2028.

The share prices of the 2024, 2026 and 2028 ZDP shares all increased. The 2024 ZDP shares increased to 124.00p, up 5.5%, the 2026 ZDP shares were up 6.1% to 113.50p and the 2028 ZDP shares were up 10.5% to 95.00p. The yields to redemption on the ZDP shares at the end of November were 5.9% for the 2024 ZDP shares, 7.6% for the 2026 ZDP shares and 8.3% for the 2028 ZDP shares.

## OTHER

UIL's ordinary share price increased by 2.8% to 168.00p in November whilst the discount to NAV marginally reduced to 28.7% from 29.3%.

On 18 November 2022, UIL declared a first quarterly interim dividend of 2.00p per ordinary share in respect of the year ending 30 June 2023, which will be paid on 22 December 2022 to shareholders on the register on 2 December 2022.

**Charles Jillings**

**ICM Investment Management Limited and ICM Limited**

## PORTFOLIO SUMMARY

TOP TEN HOLDINGS		% of Group investments
1	Somers Limited	35.3%
2	Zeta Resources Limited	15.7%
3	Utilico Emerging Markets Trust plc	12.1%
4	Allectus Capital Limited	7.2%
5	Resimac Group Limited	5.8%
6	West Hamilton Holdings Limited	4.8%
7	The Market Herald Limited	4.3%
8	Panoramic Resources Limited	1.7%
9	Littlepay Mobility Ltd	1.5%
10	Resolute Mining Limited	1.4%
<b>Total Top Ten</b>		<b>89.8%</b>

## SECTOR SPLIT OF INVESTMENTS

Financial Services	43.2%
Technology	20.5%
Resources	15.4%
Other	6.6%
Gold Mining	3.4%
Ports	2.7%
Electricity	2.3%
Renewables	1.5%
Telecommunications	1.3%
Oil and Gas	1.0%
Airports	0.9%
Water	0.7%
Infrastructure Investments	0.5%

## GEOGRAPHICAL SPLIT OF INVESTMENTS

Australia	37.6%
UK	15.3%
Bermuda	9.2%
Middle East/Africa	8.0%
Asia	7.4%
Europe (excluding UK)	6.4%
USA	6.0%
Canada	5.0%
Latin America	3.8%
New Zealand	1.3%

