

A DIVERSE PORTFOLIO BY GEOGRAPHY AND SECTOR

Delivering long-term return for shareholders

DECEMBER 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.

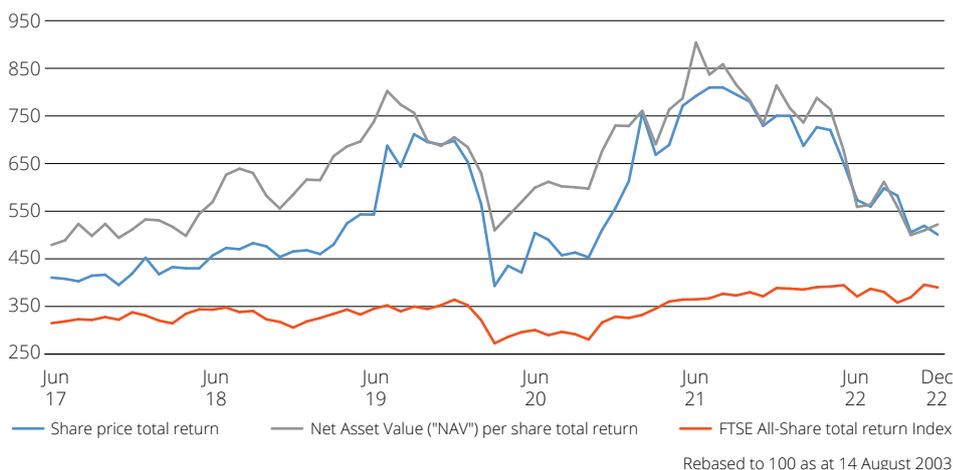
INVESTMENT APPROACH

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	(3.5%)	(14.0%)	(33.2%)	(28.2%)	19.6%	401.0%
Net Asset Value per share	2.5%	(6.6%)	(35.8%)	(26.0%)	1.8%	422.2%
FTSE All-Share Index	(1.4%)	8.9%	0.3%	7.1%	15.5%	290.0%

ROLLING 12 MONTH PERFORMANCE (Total return including dividends)

12 Months to	Dec 22	Dec 21	Dec 20	Dec 19	Dec 18
Share Price	(33.2%)	34.8%	(20.2%)	50.0%	11.1%
Net Asset Value per share	(35.8%)	11.5%	3.5%	20.6%	14.0%
FTSE All-Share Index	0.3%	18.3%	(9.8%)	19.2%	(9.5%)

FUND DETAILS
ORDINARY SHARES

Ticker: UTL.L

NAV per share at launch of UIT*	99.47p
NAV per share (cum income)	239.54p
Share price	160.00p
Discount to NAV	(33.2%)
Annual average compound return (including dividends)	8.9%
Historic dividend paid per share	8.00p
Historic dividend yield	5.0%
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	£351.9m
Bank and other Debt	£55.4m
ZDP shares 2024	£37.8m
ZDP shares 2026 ⁽¹⁾	£31.2m
ZDP shares 2028 ⁽²⁾	£26.7m
Shareholders' Funds (Ordinary Shares)	£200.8m
	£351.9m
Gearing (based on AIC definition)	73.9%

⁽¹⁾ includes 2.3m 2026 ZDP shares held by UIL

⁽²⁾ 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

	2024	2026	2028
Accrued Capital Entitlement	127.06p	125.65p	109.91p
Share Price	125.00p	114.50p	95.50p
Premium/(discount) to NAV	(1.6%)	(8.9%)	(13.1%)
ZDP Cover ⁺	3.58x	2.58x	2.01x
Yield to Redemption ⁺	5.7%	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

⁺based on final redemption values



PERFORMANCE

UIL's NAV total return was up 2.5% for the month, outperforming the FTSE All Share Index which declined by 1.4% over the same period.

Global markets

In December were generally weaker, with the Federal Reserve raising rates by 50bps to 4.5% and the committee giving a somewhat unexpected hawkish outlook indicating continued monetary tightening throughout 2023. The European Central Bank, Bank of England, Royal Bank of Australia and Bank of Canada also raised rates in December. A mild start to the winter in Europe eased concerns over potential natural gas shortages and fuel prices generally weakened, which, if sustainable, should help ease inflationary pressures in the coming months.

China suddenly and surprisingly dropped its zero Covid policy, anecdotally triggering a large wave of Covid infections although this was not reflected in official figures. As the Chinese economy reopens, commodity prices should recover despite recessionary fears elsewhere. In Brazil, there was some volatility as investors digested what the new Lula administration might look like.

Developed markets were generally weak, with the S&P 500 declining by 5.9% during December, the Eurostoxx down 4.3%, the ASX-200 was down by 3.4% and the FTSE 100 declined by 1.6%. Many of the emerging markets' indices also declined with the Brazilian Bovespa down by 2.4%, The Indian Sensex down by 3.6%, the Mexican IPC down by 6.2% and the Vietnam Ho Chi Minh down by 3.9%. In Hong Kong, the Hang Seng Index advanced by 6.4% although the Shanghai Composite was weaker by 2.0% for December.

The US Dollar continued to weaken, losing 1.0% of its value against Sterling and the Euro continued its recovery, gaining 2.6% against Sterling. The Australian Dollar rose 0.3% against Sterling.

Commodities were firmer with Brent Crude oil up slightly by 0.6% for the month. Gold continued its rally, gaining a further 3.1% to USD 1,840.02/oz, its highest price since June 2022, in part reflecting the weaker US Dollar. The price of copper advanced by 2.2% in December.

PORTFOLIO

There was one change to the top ten constituents of UIL's portfolio in December, with AssetCo replacing Resolute Mining, following a reduction in UIL's shareholding in Resolute.

Resimac's share price continued to recover, gaining 4.1% during the month and positively impacting the NAV of Somers, which rose by 5.8% in December. The total return on the

UIL holding was 1.5%, Panoramic Resources added a further 2.9% to its share price and AssetCo advanced by 4.7%. The share price of The Market Herald declined by 3.6% during December and the share price of Zeta Resources was unchanged.

DEBT

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

There was no currency hedge activity during the month and no open positions at the end of December.

ZDP SHARES

The share prices of the 2024, 2026 and 2028 ZDP shares all increased. The 2024 ZDP shares increased to 125.00p, up 0.8%, the 2026 ZDP shares were up 0.9% to 114.50p and the 2028 ZDP shares were up 0.5% to 95.50p. The yields to redemption on the ZDP shares at the end of December were 5.8% 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 decreased by 4.8% to 160.00p in December whilst the discount to NAV increased to 33.2% from 28.7%.

UIL paid its first quarterly interim dividend of 2.00p per ordinary share in respect of the year ending 30 June 2023 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	36.6%
2	Zeta Resources Limited	15.6%
3	Utilico Emerging Markets Trust plc	12.0%
4	Allectus Capital Limited	7.0%
5	Resimac Group Limited	6.0%
6	West Hamilton Holdings Limited	4.5%
7	The Market Herald Limited	4.1%
8	Panoramic Resources Limited	1.6%
9	Littlepay Mobility Ltd	1.6%
10	AssetCo plc	1.4%
Total Top Ten		90.4%

SECTOR SPLIT OF INVESTMENTS

Financial Services	44.3%
Technology	20.5%
Resources	15.1%
Other	6.3%
Gold Mining	3.3%
Ports	2.6%
Electricity	2.3%
Renewables	1.4%
Telecommunications	1.1%
Oil and Gas	1.0%
Water	0.8%
Airports	0.8%
Infrastructure Investments	0.5%

GEOGRAPHICAL SPLIT OF INVESTMENTS

Australia	38.3%
UK	15.9%
Bermuda	8.8%
Middle East/Africa	8.0%
Asia	7.4%
Europe (excluding UK)	6.6%
USA	5.5%
Canada	4.7%
Latin America	3.6%
New Zealand	1.2%

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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).

