

**A DIVERSE PORTFOLIO BY GEOGRAPHY AND SECTOR**

# Delivering long-term return for shareholders

**JANUARY 2023**

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.

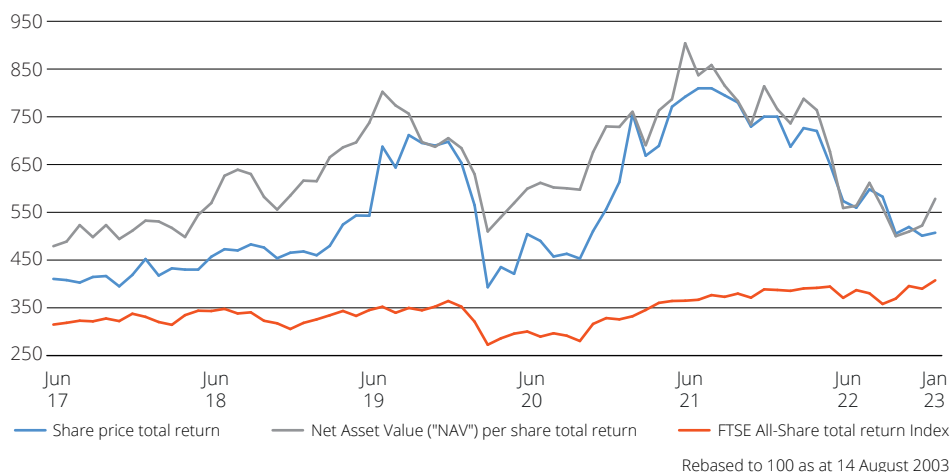
**INVESTMENT APPROACH**

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>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	5 years	Inception
Share Price	1.3%	0.4%	(32.4%)	(22.4%)	12.2%	407.2%
Net Asset Value per share	10.7%	15.7%	(24.5%)	(15.5%)	8.6%	478.3%
FTSE All-Share Index	4.5%	10.4%	5.2%	15.6%	23.1%	307.5%

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

12 Months to	Jan 23	Jan 22	Jan 21	Jan 20	Jan 19
Share Price	(32.4%)	22.3%	(6.2%)	39.6%	3.5%
Net Asset Value per share	(24.5%)	5.1%	6.5%	11.0%	15.7%
FTSE All-Share Index	5.2%	18.9%	(7.5%)	10.7%	(3.8%)

**FUND DETAILS**
**ORDINARY SHARES**

Ticker: UTL.L

NAV per share at launch of UIT*	99.47p
NAV per share (cum income)	265.26p
Share price	162.00p
Discount to NAV	(38.9%)
Annual average compound return (including dividends)	9.4%
Historic dividend paid per share	8.00p
Historic dividend yield	4.9%
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	£374.2m
Bank and other Debt	£55.7m
ZDP shares 2024	£38.0m
ZDP shares 2026 <sup>(1)</sup>	£31.3m
ZDP shares 2028 <sup>(2)</sup>	£26.8m
Shareholders' Funds (Ordinary Shares)	£222.4m
	£374.2m
Gearing (based on AIC definition)	67.0%

<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	127.58p	126.19p	110.45p
Share Price	123.50p	114.50p	93.00p
Premium/(discount) to NAV	(3.2%)	(9.3%)	(15.8%)
ZDP Cover <sup>+</sup>	3.80x	2.74x	2.14x
Yield to Redemption <sup>+</sup>	6.7%	7.8%	9.0%
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

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



## PERFORMANCE

UIL's NAV total return was up by 10.7% in January, outperforming the FTSE All Share total return Index which was up by 4.5% over the same period.

Markets were

mostly upbeat in January, helped by improved sentiment on China's re-opening and indications that inflation was easing across many major economies. In the US headline CPI fell to 6.5% from 7.1%, with the Federal Bank hinting at a nearing of the end of the rate increase cycle, helping propel the S&P 500 Index which was up by 6.2% in the month. European markets were even stronger, with the Eurostoxx up 9.7% as the Eurozone PMI hit a seven-month high. In Australia, the RBA raised its rates for the ninth consecutive month as inflation hit 7.8% in Q4 2022, the highest level since 1990; the ASX 200 rose by 6.2% in January.

EM were strong, with China posting positive manufacturing and service sector data as it emerges from zero-Covid policy; Hong Kong's Hang Seng Index was up by 10.4% in January. Mexico and Vietnam were also strong, with the Mexico Bolsa up 12.6% and the Ho Chi Minh Index up by 10.3%. Indian markets lagged due to governance concerns at a major conglomerate, with the Sensex Index down by 2.1% over the month.

In January, currencies were mixed, with Sterling appreciating by 2.3% against the US Dollar and by 0.6% versus the Euro but depreciating by 1.5% against the Australian Dollar. In the commodities markets metal resources mostly strengthened, with copper prices up by 10.9%, gold up by 5.7% and nickel up by 0.9%. The Brent crude oil price weakened slightly, down by 1.7% in January.

## PORTFOLIO

There were no changes to the top ten constituents of the UIL portfolio in January. Somers' valuation was up by 13.9% in the month, predominantly reflecting a recovery in the Resimac share price which climbed 27.3%, as sentiment in the property financials sector improved following the release of data showing that the worst of the correction in Australian home prices may have passed.

There was also a strong appreciation with AssetCo's share price which was up by 10.4% in the month, aided by buybacks, whilst UEM's price was up 4.9% on the back of underlying portfolio performance. Zeta Resources' share price was unchanged although there were robust performances at some of the investee companies in January including Copper Mountain Mining, up 32.2%, and Horizon Gold, up 12.9%.

The Market Herald's share price fell 16.0% following the announcement of a fully underwritten AUD 15.5m discounted rights issue at AUD 0.34 per share to repay debt associated with the acquisition of Gumtree, Autotrader and Carsguide.

## DEBT

Bank borrowings of £50.0m drawn in Sterling remained unchanged over the month. There were no foreign exchange hedges in place during the month and as at the end of January 2023.

## ZDP SHARES

The share prices of the 2024 and 2028 ZDP shares declined and the 2026 ZDP shares remained unchanged. The 2024 ZDP shares reduced by 1.2% to 123.50p, whilst the 2028 ZDP share price declined by 2.6% to 93.00p. The yields to redemption on the ZDP shares at the end of January were 6.7% for the 2024 ZDP shares, 7.8% for the 2026 ZDP shares and 9.0% for the 2028 ZDP shares.

## OTHER

UIL's ordinary share price increased by 1.3% to 162.00p in January whilst the discount to NAV widened to 38.9%.

**Charles Jillings**

**ICM Investment Management Limited and ICM Limited**

## PORTFOLIO SUMMARY

TOP TEN HOLDINGS		% of Group investments
1	Somers Limited	38.4%
2	Zeta Resources Limited	14.9%
3	Utilico Emerging Markets Trust plc	11.9%
4	Resimac Group Limited	7.3%
5	Allectus Capital Limited	6.4%
6	West Hamilton Holdings Limited	4.1%
7	The Market Herald Limited	3.3%
8	Littlepay Mobility Ltd	1.5%
9	Panoramic Resources Limited	1.4%
10	AssetCo plc	1.4%
<b>Total Top Ten</b>		<b>90.6%</b>

## SECTOR SPLIT OF INVESTMENTS

Financial Services	46.9%
Technology	19.3%
Resources	14.1%
Other	5.9%
Gold Mining	3.5%
Ports	2.5%
Electricity	2.2%
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	42.3%
UK	15.1%
Bermuda	8.0%
Asia	7.3%
Middle East/Africa	6.6%
Europe (excluding UK)	6.1%
USA	5.2%
Canada	4.9%
Latin America	3.6%
New Zealand	0.9%

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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).

