

A DIVERSE PORTFOLIO BY GEOGRAPHY AND SECTOR

# Delivering long-term return for shareholders

## JULY 2023

Closed-end investment company, traded on the London Stock Exchange

### OBJECTIVE

UIL Limited ("UIL") seek to maximise shareholder returns by identifying and investing in compelling long-term investments worldwide, where the underlying value is not fully recognised.

### INVESTMENT APPROACH

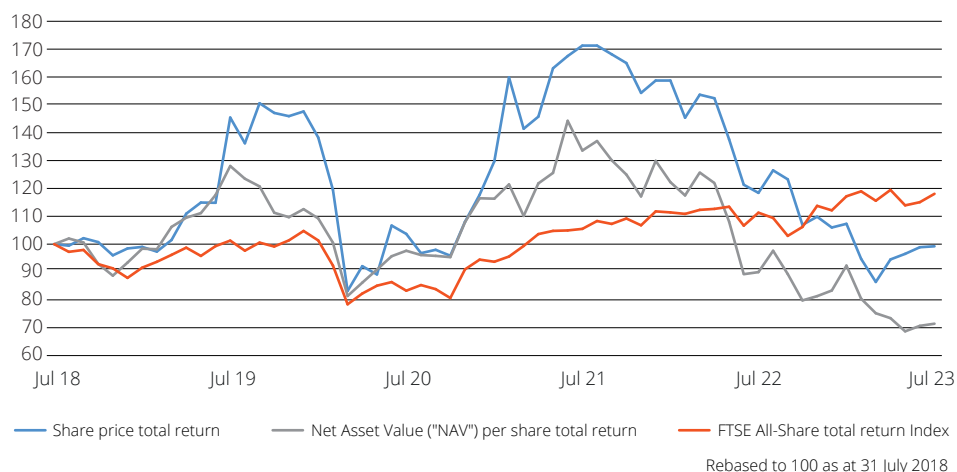
To seek to invest in undervalued investments. This perceived undervaluation may arise from any number of factors, including technological change, market motivation, prospective financial engineering opportunities, competition, management underperformance or shareholder apathy. UIL has the flexibility 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	0.3%	5.0%	(16.2%)	(4.3%)	(0.8%)	369.1%
Net Asset Value per share	1.1%	(2.7%)	(20.6%)	(26.8%)	(28.6%)	347.6%
FTSE All-Share Index	2.6%	(1.2%)	6.1%	41.8%	18.1%	310.6%

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

12 Months to	July 23	July 22	July 21	July 20	July 19
Share Price	(16.2%)	(30.9%)	65.2%	(28.7%)	45.4%
Net Asset Value per share	(20.6%)	(32.7%)	36.8%	(23.8%)	28.1%
FTSE All-Share Index	6.1%	5.5%	26.6%	(17.8%)	1.3%

## FUND DETAILS

### ORDINARY SHARES

Ticker: UTL.L

NAV per share at launch of UIT*	99.47p
NAV per share (cum income)	201.43p
Share price	145.50p
Discount to NAV	(27.8%)
Annual average compound return (including dividends)	7.8%
Historic dividend paid per share	8.00p
Historic dividend yield	5.5%
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	£314.1m
Bank and other Debt	£46.6m
ZDP shares 2024	£38.9m
ZDP shares 2026 <sup>(1)</sup>	£32.1m
ZDP shares 2028 <sup>(2)</sup>	£27.6m
Shareholders' Funds (Ordinary Shares)	£168.9m
	£314.1m
Gearing (based on AIC definition)	87.3%

<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.

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### ZDP SHARES

	2024	2026	2028
Accrued Capital Entitlement	130.55p	129.27p	113.56p
Share Price	123.00p	112.50p	91.50p
Premium/(discount) to NAV	(5.8%)	(13.0%)	(19.4%)
ZDP Cover <sup>†</sup>	3.57x	2.49x	1.91x
Yield to Redemption <sup>†</sup>	9.8%	9.6%	10.2%
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 by 1.1% in July, underperforming the FTSE All Share total return Index which rose by 2.6% over the same period.

### Equity markets

continued to be positive in July with most markets ending in encouraging territory supported by global inflation which appears to be slowing. The US Federal Reserve increased interest rates by 25 basis points to 5.5% as expected; however, it remained non-committal as to whether or not there would be a further rise in September. Market expectations are also growing that the US is heading for a soft landing through controlling inflation without slowing economic growth. For example, July's US consumer price index data was lower than expected, whilst reported US second-quarter GDP growth was above expectations.

The European Central Bank also followed suit increasing the deposit rate in July, in line with expectations by 25bps to 3.75% with Christine Lagarde, the European Central Bank president, indicating that the central bank might be close to the end of the rate rising cycle as inflationary pressures continue to ease. In the UK and in Australia, there was a pause on rate increases in July.

The S&P 500 Index was up by 3.1% over the month whilst the Eurostoxx Index rose by 1.6%. In Australia, the ASX-200 advanced by 2.9%.

The majority of emerging markets in July outperformed the developed markets with eyes closely focused on China. In July, the Chinese Shanghai Composite Index was up by 2.8% and the Hong Kong Hang Seng Index up by 6.1% as the Chinese government announced new measures to revive consumption. In addition, the Chinese central bank, the People's Bank of China, pledged to support the development of the Chinese real estate market by reducing housing loan interest rates and down payment ratios.

In the currency markets Sterling strengthened against the Euro and the US Dollar by 0.1% and 1.2% respectively whilst it remained flat against the Australian Dollar.

Sterling was mixed against the emerging market currencies, appreciating 1.5% against the Indian Rupee but depreciating 0.2% against the Brazilian Real, 1.4% against the Mexican Peso and 0.4% against the Chinese Renminbi.

Commodities saw strong performance in July, with oil prices up by 14.2% to USD 85.56 per barrel, on the back of tightening global supply and rising demand through the rest of the year. Copper and nickel both continued their recovery in July, up by 7.1% and 8.5% respectively. Wheat prices also climbed in July to USD 6.66, up 6.5% after Russia withdrew from the Black Sea Grain initiative.

## 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).

## PORTFOLIO

There were no changes to the top ten constituents of the UIL portfolio in July.

Somers' valuation increased by 4.2%, reflecting the Resimac share price which increased by 5.7% in July and benefitting from the slowing rate of inflation. Resimac is also a top ten direct shareholding for UIL.

Zeta Resources' NAV rose by 0.5% in July with the discount at 20.0%. Zeta Resources' share price was down by 1.6% in July.

## DEBT

Bank and other debt decreased over the month to £42.6m drawn in Sterling and US Dollars. There were no foreign exchange hedges as at the end of July 2023.

## ZDP SHARES

The share prices of the 2024, 2026 and 2028 ZDP shares all decreased over the month by 0.4% to 123.00p, by 1.7% to 112.50p and 5.2% to 91.50p respectively.

## OTHER

UIL's ordinary share price increased by 0.3% to 145.50p in July and the discount to NAV widened slightly to 27.8% from 27.2%.

## Charles Jillings

ICM Investment Management Limited and ICM Limited

## PORTFOLIO SUMMARY

TOP TEN HOLDINGS		% of Group investments
1	Somers Limited	35.6%
2	Zeta Resources Limited	17.4%
3	Utilico Emerging Markets Trust plc	13.4%
4	Allectus Capital Limited	5.7%
5	Resimac Group Limited	5.7%
6	West Hamilton Holdings Limited	4.8%
7	Allectus Quantum Holdings Limited	4.7%
8	The Market Herald Limited	3.7%
9	Arria Nlg Limited	2.1%
10	Littlepay Mobility Ltd	1.5%
<b>Total Top Ten</b>		<b>94.6%</b>

## SECTOR SPLIT OF INVESTMENTS

Financial Services	41.4%
Technology	23.4%
Resources	13.5%
Other	6.1%
Gold Mining	3.9%
Ports	3.1%
Electricity	2.6%
Renewables	1.9%
Water	1.1%
Oil and Gas	1.0%
Telecommunications	0.8%
Airports	0.7%
Infrastructure Investments	0.5%

## GEOGRAPHICAL SPLIT OF INVESTMENTS

Australia	39.0%
UK	18.5%
Bermuda	9.3%
Middle East/Africa	8.7%
Asia	7.6%
Europe (excluding UK)	5.2%
Latin America	4.7%
Canada	3.6%
USA	2.6%
New Zealand	0.8%