

A DIVERSE PORTFOLIO BY GEOGRAPHY AND SECTOR

# Delivering long-term return for shareholders

## AUGUST 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

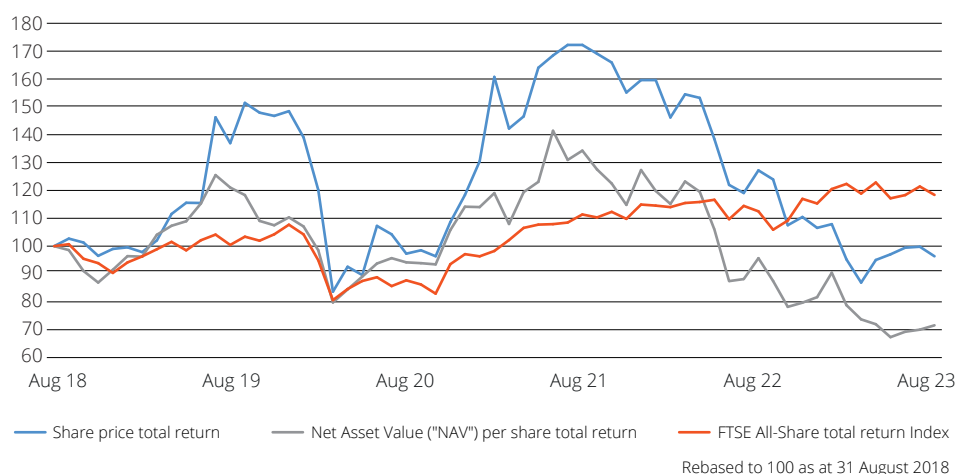
To seek to invest in undervalued investments. This perceived undervaluation may arise from any number of factors, including technological change, market motivation, prospective financial engineering opportunities, competition, management underperformance or shareholder apathy. UIL has the flexibility 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	(3.4%)	(0.7%)	(24.2%)	(1.0%)	(3.6%)	353.0%
Net Asset Value per share	2.2%	6.3%	(25.2%)	(24.0%)	(28.4%)	357.6%
FTSE All-Share Index	(2.5%)	1.1%	5.2%	34.9%	18.4%	300.4%

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

12 Months to	Aug 23	Aug 22	Aug 21	Aug 20	Aug 19
Share Price	(24.2%)	(26.1%)	77.0%	(29.0%)	37.0%
Net Asset Value per share	(25.2%)	(28.8%)	42.6%	(22.2%)	21.0%
FTSE All-Share Index	5.2%	1.0%	26.9%	(12.6%)	0.4%

## FUND DETAILS

### ORDINARY SHARES

Ticker: UTL.L

NAV per share at launch of UIT*	99.47p
NAV per share (cum income)	205.91p
Share price	140.50p
Discount to NAV	(31.8%)
Annual average compound return (including dividends)	7.9%
Historic dividend paid per share	8.00p
Historic dividend yield	5.7%
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	£314.9m
Bank and other Debt	£43.1m
ZDP shares 2024	£39.1m
ZDP shares 2026 <sup>(1)</sup>	£32.3m
ZDP shares 2028 <sup>(2)</sup>	£27.8m
Shareholders' Funds (Ordinary Shares)	£172.6m
	£314.9m
Gearing (based on AIC definition)	80.1%

<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	131.06p	129.81p	114.10p
Share Price	123.00p	112.00p	90.75p
Premium/(discount) to NAV	(6.1%)	(13.7%)	(20.5%)
ZDP Cover <sup>†</sup>	3.72x	2.57x	1.96x
Yield to Redemption <sup>†</sup>	10.6%	10.0%	10.5%
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 2.2% in August, outperforming the FTSE All Share total return Index which declined by 2.5% over the same period.

After strong performance in June and July, equity markets were mostly weaker in August, reacting to mixed economic statistics that add uncertainty to the market outlook. In the US, consumer and government spending remains strong, but the housing market has stalled, and the number of job vacancies continue to decline. Following July's rate increase, analysts expect one final rate rise this year from the Federal Reserve, but probably not at September's meeting. The Bank of England raised rates by 25bps during the month, following the European Central Bank's similar rate rise at the end of July. The S&P 500 declined by 1.8%, the FTSE 100 declined by 3.4% and the Eurostoxx Index was down by 3.9%. In Australia, the ASX-200 declined by 1.4%.

In China, market confidence remains low and international investors continue to reduce their exposure to the country. Weakness in the housing market, concerns over real estate developers' debt and slowing factory activity all weighed on stocks. The Hang Seng Index declined by 8.5% in August and the Shanghai Composite fell by 5.2%. Weakness in China also weighed on industrial commodity prices.

In the currency markets, the US Dollar strengthened against most currencies whilst Sterling had a mixed performance. Sterling declined 1.5% against the US Dollar but was flat against the Euro. However, Sterling appreciated by 2.5% against the Australian Dollar and 2.9% against the New Zealand Dollar.

Many commodities weakened in August, although oil prices firmed by 1.5% to USD 86.86 per barrel, on the back of threats of tightening global supply. Copper and nickel gave up most of July's gains, down 5.9% and 9.1% respectively.

## PORTFOLIO

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

Somers' valuation increased by 3.5%, reflecting the Resimac share price which increased by 13.4% in August following the release of Resimac's 2023 results. Resimac is also a top ten direct shareholding for UIL.

The Market Herald's share price was up by 1.7% in the month and the value of Allectus Capital increased by 1.5%. Zeta Resources' NAV rose by 0.7% in August and with share price unchanged, the discount widened to 21.8%.

## DEBT

Bank and other debt increased over the month to £43.1m drawn in Sterling and Australian Dollars. There were no foreign exchange hedges as at the end of August 2023.

## ZDP SHARES

The share prices of the 2026 and 2028 ZDP shares decreased over the month by 0.4% to 112.00p and by 0.8% to 90.75p respectively. The price of the 2024 ZDP shares was unchanged at 123.00p.

## OTHER

UIL's ordinary share price decreased by 3.4% to 140.50p in August and the discount to NAV widened to 31.8% from 27.8%.

**Charles Jillings**  
ICM Investment Management Limited and ICM Limited

## PORTFOLIO SUMMARY

TOP TEN HOLDINGS		% of Group investments
1	Somers Limited	36.5%
2	Zeta Resources Limited	17.0%
3	Utilico Emerging Markets Trust plc	12.3%
4	Resimac Group Limited	6.3%
5	Allectus Capital Limited	5.9%
6	West Hamilton Holdings Limited	4.9%
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>94.9%</b>

## SECTOR SPLIT OF INVESTMENTS

Financial Services	43.0%
Technology	23.3%
Resources	13.0%
Other	6.0%
Gold Mining	3.9%
Ports	2.8%
Electricity	2.4%
Renewables	1.8%
Water	1.0%
Oil and Gas	0.9%
Airports	0.7%
Telecommunications	0.7%
Infrastructure Investments	0.5%

## GEOGRAPHICAL SPLIT OF INVESTMENTS

Australia	40.9
UK	17.8
Bermuda	9.3
Middle East/Africa	9.2
Asia	7.5
Europe (excluding UK)	5.2
Latin America	4.2
USA	2.8
Canada	2.3
New Zealand	0.8

## 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).