

A DIVERSE PORTFOLIO BY GEOGRAPHY AND SECTOR

Delivering long-term return for shareholders

SEPTEMBER 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.

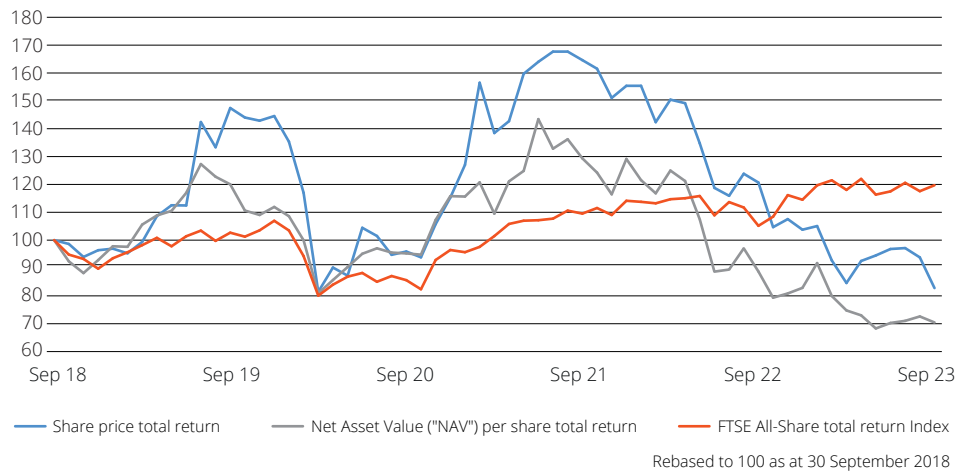
INVESTMENT APPROACH

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

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	(11.7%)	(14.5%)	(31.4%)	(13.7%)	(17.2%)	299.8%
Net Asset Value per share	(3.0%)	0.3%	(20.6%)	(26.0%)	(29.5%)	344.0%
FTSE All-Share Index	1.8%	1.9%	13.8%	39.8%	19.7%	307.7%

ROLLING 12 MONTH PERFORMANCE (Total return including dividends)

12 Months to	Sep 23	Sep 22	Sep 21	Sep 20	Sep 19
Share Price	(31.4%)	(26.7%)	71.6%	(34.9%)	47.4%
Net Asset Value per share	(20.6%)	(31.4%)	35.8%	(20.7%)	20.0%
FTSE All-Share Index	13.8%	(4.0%)	27.9%	(16.6%)	2.7%

FUND DETAILS

ORDINARY SHARES	Ticker: UTL.L
NAV per share at launch of UIT*	99.47p
NAV per share (cum income)	197.79p
Share price	122.00p
Discount to NAV	(38.3%)
Annual average compound return (including dividends)	7.7%
Historic dividend paid per share	8.00p
Historic dividend yield	6.6%
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	£299.0m
Bank and other Debt	£33.6m
ZDP shares 2024	£39.3m
ZDP shares 2026 ⁽¹⁾	£32.4m
ZDP shares 2028 ⁽²⁾	£27.9m
Shareholders' Funds (Ordinary Shares)	£165.8m
	£299.0m
Gearing (based on AIC definition)	78.5%

⁽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	131.55p	130.31p	114.61p
Share Price	123.00p	112.00p	90.75p
Premium/(discount) to NAV	(6.5%)	(14.1%)	(20.8%)
ZDP Cover [†]	3.98x	2.65x	1.98x
Yield to Redemption [†]	11.4%	10.3%	10.7%
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.I.L

[†]based on final redemption values



PERFORMANCE

UIL's NAV total return was down 3.0% in September, trailing the FTSE All Share total return Index which was up 1.8% over the month.

Equity markets were mostly weaker in

September, as the US Federal Reserve's "higher for longer" stance on interest rates impacted investment flows worldwide. The surprising resilience of the US economy in the face of rapid interest rate rises has led the Federal Reserve to indicate that policy will be biased toward a more restrictive policy, with fewer rate cuts now expected in 2024. This has seen the yield on 10-year US Treasury bonds reach the highest levels since before the Financial Crisis and the DXY Dollar Index continue to appreciate. The S&P 500 Index fell by 4.9% in September.

In Europe, inflation dropped sharply to an annual rate of 4.3% from 5.2% in August, the lowest level in two years. This follows a tenth consecutive interest rate rise to 4.0%, the highest level since the advent of the Euro in 1999. The Eurostoxx Index declined by 2.8% in the month. In the UK, the MPC paused rate increases for the first time in almost two years, though inflation remains elevated at 6.7%. The FTSE 100 was up 2.3%, an increase which reflects the international nature of the index constituents given material Sterling weakness. Sterling was down against all major currencies, declining 3.7% versus the US Dollar, 1.3% against the Euro and 3.3% compared to the Australian Dollar.

In emerging markets, most equity markets softened. In China, the Hang Seng Index declined by 3.1% and the Shanghai Composite fell by 0.3%, though it is notable that in September China's factory activity expanded for the first time in six months. Against this trend, the Indian and Brazilian markets both managed small positive performances, with the SENSEX up 1.5% and the Bovespa up 0.7%.

In the commodities markets, most industrial metals weakened in September on concerns of weak global activity and rising surpluses, with copper and nickel falling 0.9% and 8.0% respectively. Precious metals were also weak, with the gold price down 4.7% and the silver price dropping by 9.3%. Oil prices were comparatively robust, up 9.7% over the month, due to Saudi Arabia extending its production cuts until the end of the year.

PORTFOLIO

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

Somers' valuation decreased by 7.5%, reflecting the Resimac share price which fell by 13.3% in September. Adjusted for trading ex-dividend during the month, Resimac's share price was

down 7.9%, reflecting concerns over higher interest rates, home affordability, and strong competition in the lending market. Resimac is also a top ten direct shareholding for UIL.

Zeta's share price was unchanged over the month, with a decline in net asset value per share of 7.2% offset by a narrowing of the discount. Zeta announced a new on-market buyback program which commenced on 6 September 2023, and bought back 18.3m shares during the month.

UEM's share price declined by 0.9%, as NAV total return of 2.3% was offset by a widening of the discount and the payment of its quarterly dividend.

The Market Herald's share price fell by 27.1% in the month, though this reflects an idiosyncrasy of the effect of widening spreads on valuations. UIL uses the bid price for its valuations, and during September the bid-offer spread on The Market Herald almost doubled to 5.5c (from 3.0c), a material move in the context of a 21.5c share price. For comparison, the share price movement on the basis of last traded price was a decline of 11.9% over the month.

Additional moves in UIL's top ten investments were the valuations at Allectus Capital, which decreased by 1.4%, and West Hamilton Holdings, which increased by 5.4%.

DEBT

Bank and other debt fell from £43.1m to £27.1m in the month, as UIL paid down part of its senior secured multi-currency facility as agreed with the Bank of Nova Scotia. Debt was drawn as £25.0m and AUD 4.0m. There were no foreign exchange hedges as at the end of September 2023.

ZDP SHARES

The share prices of the 2024, 2026 and 2028 ZDP shares were all unchanged over the month, trading at 123.00p, 112.00p and 90.75p respectively.

OTHER

UIL's ordinary share price decreased by 13.2% to 122.00p in September and the discount to NAV widened to 38.3% from 31.8%. A fourth quarterly interim dividend of 2.00p per ordinary share in respect of the year ended 30 June 2023, was declared in September and was paid on 13 October 2023 to shareholders on the register on 29 September 2023.

Charles Jillings
ICM Investment Management Limited and ICM Limited

PORTFOLIO SUMMARY

TOP TEN HOLDINGS		% of Group investments
1	Somers Limited	36.4%
2	Zeta Resources Limited	17.4%
3	Utilico Emerging Markets Trust plc	11.1%
4	Allectus Capital Limited	6.3%
5	Resimac Group Limited	5.9%
6	West Hamilton Holdings Limited	5.6%
7	Allectus Quantum Holdings Limited	4.9%
8	The Market Herald Limited	2.9%
9	Arria Nlg Limited	2.3%
10	Littlepay Mobility Ltd	1.6%
Total Top Ten		94.4%

SECTOR SPLIT OF INVESTMENTS

Financial Services	41.9%
Technology	24.2%
Resources	13.6%
Other	6.7%
Gold Mining	3.8%
Ports	2.6%
Electricity	2.2%
Renewables	1.6%
Water	0.9%
Oil and Gas	0.8%
Airports	0.6%
Telecommunications	0.6%
Infrastructure Investments	0.5%

GEOGRAPHICAL SPLIT OF INVESTMENTS

Australia	39.0%
UK	19.8%
Bermuda	10.4%
Middle East/Africa	9.6%
Asia	5.4%
Europe (excluding UK)	5.1%
Latin America	3.8%
USA	3.4%
Canada	2.2%
New Zealand	1.3%

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).