

A DIVERSE PORTFOLIO BY GEOGRAPHY AND SECTOR

Focused on discovering compelling investments

JANUARY 2024

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

OBJECTIVE

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

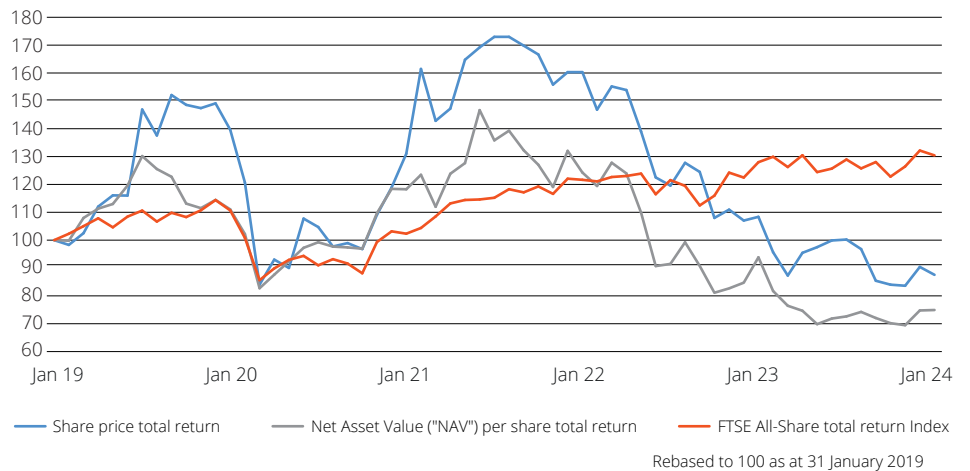
INVESTMENT APPROACH

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	(3.1%)	4.2%	(19.2%)	(33.2%)	(12.5%)	309.8%
NAV per share	0.2%	6.7%	(20.2%)	(36.6%)	(25.1%)	361.7%
FTSE All-Share Index	(1.3%)	6.2%	1.9%	27.5%	30.4%	315.3%

ROLLING 12 MONTH PERFORMANCE (Total return including dividends)

12 Months to	Jan 24	Jan 23	Jan 22	Jan 21	Jan 20
Share Price	(19.2%)	(32.4%)	22.3%	(6.2%)	39.6%
NAV per share	(20.2%)	(24.5%)	5.1%	6.5%	11.0%
FTSE All-Share Index	1.9%	5.2%	18.9%	(7.5%)	10.7%

FUND DETAILS
ORDINARY SHARES

Ticker: UTL.L

NAV per share at launch of UIT*	99.47p
NAV per share (cum income)	203.53p
Share price	123.00p
Discount to NAV	(39.6%)
Annual average compound return (including dividends)	7.8%
Historic dividend paid per share	8.00p
Historic dividend yield	6.5%
Ongoing charges figure excluding performance fees	2.8%
Shares in issue	83,842,918

*Utilico Investment Trust plc – UIL's predecessor

CAPITAL STRUCTURE

Gross Assets less Current Liabilities	£294.3m
Bank and other Debt	£22.3m
ZDP shares 2024	£39.9m
ZDP shares 2026 ⁽¹⁾	£33.0m
ZDP shares 2028 ⁽²⁾	£28.5m
Shareholders' Funds (Ordinary Shares)	£170.6m
	£294.3m
Gearing (based on AIC definition)	70.7%

⁽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.

www.icm.limited

FOLLOW US


UIL News



LinkedIn

ZDP SHARES

	2024	2026	2028
Accrued Capital Entitlement	133.63p	132.49p	116.80p
Share Price	128.00p	114.00p	96.50p
Premium/(discount) to NAV	(4.2%)	(14.0%)	(17.4%)
ZDP Cover [†]	4.62x	2.90x	2.11x
Yield to Redemption [†]	10.9%	10.9%	10.1%
ZDP Redemption Value	138.35p	151.50p	152.29p
Shares in issue	30.0m	25.0m	25.0m
Ticker	UTLG.L	UTLH.L	UTLI.L

[†]based on final redemption values



PERFORMANCE

UIL's NAV total return was 0.2% in January, ahead of the FTSE All Share total return Index which declined by 1.3% over the month.

Global stock

markets were mixed in January, as the continued downward trend in inflation led to the US Federal Reserve removing its tightening bias but pushing back on hopes of imminent rate cuts. The S&P 500 Index firmed by 1.6%, reflecting continued performance which has been heavily concentrated in the "Mag 7" (Amazon, Apple, Google, etc). It was notable within this group that Tesla warned on slowing EV demand and intense competition from Chinese EV manufacturers. China exporting deflation and undercutting global rivals in targeted sectors is a developing trend worth watching. The DXY Dollar Index firmed.

In Europe, inflation fell to 2.8% in January, adding further pressure on the European Central Bank to cut rates, though core inflation remained sticky at 3.3%. The Eurostoxx Index climbed by 2.8% over the month. In the UK, the Monetary Policy Committee is holding policy rates flat with consumer price inflation remaining unchanged at 4.0%. Sterling strengthened against most currencies, up 3.1% against the Australian Dollar and 1.6% versus the Euro, while easing very slightly against the US Dollar.

In emerging markets, China continued to disappoint, with the Hang Seng Index plunging by 9.2% over the month, not helped by the bankruptcy filing of a major player in China's USD 3 trillion shadow banking sector. The Sensex Index hit an all-time high during the month as the bull run in India continued, though profit-taking saw it end the month down 0.7%. Meanwhile, the Brazilian Bovespa Index was more subdued, retracing by 4.8% after a very strong run to an all-time high at the end of 2023.

In the commodities markets, industrial metals were mixed in January, with copper up 0.4% but nickel continuing to slide, down by 2.2% over the month. Precious metals softened, with the gold price easing by 1.1% and the silver price declining 3.5%. Heightened geopolitical tensions in the Middle East following the Houthi attacks on shipping in the Red Sea saw the Brent oil price rise by 6.1%.

PORTFOLIO

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

Somers' valuation increased by 3.0%, mainly driven by its second-largest holding, Resimac, whose share price was up by 12.5% over the month. This followed receding concerns that the Reserve Bank of Australia would increase rates again after reports that consumer price inflation fell to a two-year low of 4.1% in the December quarter. UIL also holds a significant direct investment in Resimac.

Zeta's share price declined by 5.5% over the month, reflecting broad softening of its underlying portfolio of listed investments and the wider commodity markets. Horizon Gold's share price was down 5.2% and Alliance Nickel fell by 19.0% during the month.

UEM's share price declined by 0.2% in January, as it delivered a NAV total return of 0.5%, outperforming the MSCI Emerging Markets total return Index which fell by 4.3% in Sterling terms over the month. UEM's discount to NAV narrowed slightly from 14.7% to 14.5%.

Carebook Technologies' share price fell by 20.0% over the month, while the share prices of UIL's other top ten holdings were broadly unchanged.

DEBT

Bank debt was unchanged at £15.0m over the month, drawn in Sterling. Other debt decreased from £9.8m to £7.2m in January.

ZDP SHARES

In January, the share prices of the 2024, 2026 and 2028 ZDP shares appreciated by 0.8%, 5.1% and 7.8% respectively, trading at 128.00p, 114.00p and 96.50p respectively.

OTHER

UIL's ordinary share price decreased by 3.1% to 123.00p in January while the discount to NAV widened to 39.6% from 37.5%.

Charles Jillings

ICM Investment Management Limited and ICM Limited

PORTFOLIO SUMMARY

TOP TEN HOLDINGS		% of Group investments
1	Somers Limited	43.2%
2	Zeta Resources Limited	14.7%
3	Utilico Emerging Markets Trust plc	10.6%
4	Resimac Group Limited	7.5%
5	Allectus Capital Limited	5.9%
6	Allectus Quantum Holdings Limited	5.0%
7	The Market Limited	3.1%
8	West Hamilton Holdings Limited	2.3%
9	Arria NLG Limited	1.8%
10	Carebook Technologies Inc	1.4%
Total Top Ten		95.5%

SECTOR SPLIT OF INVESTMENTS

Financial Services	51.3%
Technology	20.6%
Resources	10.8%
Gold Mining	3.9%
Other	3.9%
Ports	2.4%
Electricity	2.3%
Renewables	1.3%
Water	1.1%
Oil and Gas	0.8%
Telecommunications	0.6%
Airports	0.5%
Infrastructure Investments	0.5%

GEOGRAPHICAL SPLIT OF INVESTMENTS

Australia	41.8%
UK	20.8%
Middle East/Africa	9.0%
Bermuda	7.9%
Asia	6.7%
Europe (excluding UK)	5.6%
Latin America	3.8%
Canada	2.0%
USA	1.7%
New Zealand	0.7%

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).