

A DIVERSE PORTFOLIO BY GEOGRAPHY AND SECTOR

Focused on discovering compelling investments

FEBRUARY 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.

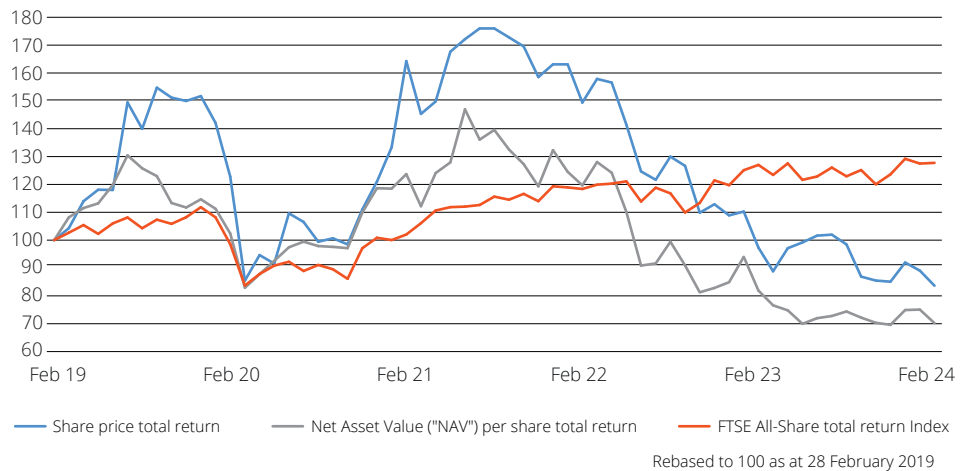
INVESTMENT APPROACH

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	(6.1%)	(1.7%)	(14.1%)	(49.1%)	(16.4%)	284.8%
NAV per share	(6.5%)	0.9%	(14.3%)	(43.2%)	(29.8%)	331.9%
FTSE All-Share Index	0.2%	3.3%	0.6%	25.2%	27.7%	316.1%

ROLLING 12 MONTH PERFORMANCE (Total return including dividends)

12 Months to	Feb 24	Feb 23	Feb 22	Feb 21	Feb 20
Share Price	(14.1%)	(34.9%)	(9.1%)	33.8%	22.8%
NAV per share	(14.3%)	(31.6%)	(3.3%)	20.8%	2.4%
FTSE All-Share Index	0.6%	7.3%	16.0%	3.5%	(1.4%)

FUND DETAILS
ORDINARY SHARES

Ticker: UTL.L

NAV per share at launch of UIT*	99.47p
NAV per share (cum income)	190.36p
Share price	115.50p
Discount to NAV	(39.3%)
Annual average compound return (including dividends)	7.4%
Historic dividend paid per share	8.00p
Historic dividend yield	6.9%
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	£279.3m
Bank and other Debt	£19.9m
ZDP shares 2024	£40.1m
ZDP shares 2026 ⁽¹⁾	£33.1m
ZDP shares 2028 ⁽²⁾	£28.6m
Shareholders' Funds (Ordinary Shares)	£157.6m
	£279.3m
Gearing (based on AIC definition)	75.3%

⁽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	134.12p	133.00p	117.32p
Share Price	130.00p	114.00p	95.50p
Premium/(discount) to NAV	(3.1%)	(14.3%)	(18.6%)
ZDP Cover [†]	4.55x	2.81x	2.03x
Yield to Redemption [†]	9.7%	11.2%	10.5%
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 down by 6.5% in February, behind the FTSE All Share total return Index which increased marginally by 0.2% over the month.

Global markets were fairly strong in February despite the more hawkish message from the US Federal Reserve that interest rates are likely to remain higher for longer as economic data from the US continued to be resilient. The US composite Purchasing Managers' Index (PMI) remained in expansionary territory and January's US nonfarm payroll data was ahead of expectations. The US market was also supported by the positive 4Q 2023 earnings reported (five of the 'Magnificent Seven' released results broadly meeting or exceeding expectations), helping to drive the S&P Index up by 5.2% over period and reaching a new all-time high in February.

The Eurostoxx Index followed suit up 4.9% over the period as data for February indicated that there was a pick-up in economic activity with the flash eurozone PMI up to 48.9 from 47.9 in January. Further inflationary pressures reduced with the eurozone CPI reducing to 2.6%. Market performance in the UK was essentially flat, despite data pointing to an improving outlook, as GDP fell in the final quarter of 2023 by 0.3% dragging the UK into technical recession.

Sterling's performance was mixed in February - down 0.7% against the US Dollar, down 0.3% against the Euro but up 0.8% against the Australian Dollar.

In emerging markets, the Chinese Shanghai Composite Index ended the month where it started the year, up by 8.1% for February. The market was boosted by more positive activity data over the Lunar New Year period as well as more supportive economic and financial measures being announced by the government such as cutting the five-year loan prime rates (benchmark for mortgage rates) by 25bps and banning short selling. The Hang Seng Index was also up by 6.6%. Elsewhere in Asia the markets were also positive with the Vietnamese Ho Chi Minh Index up by 7.6%, the Philippines market up by 4.5% whilst India saw a more modest increase, with the Sensex Index up by 1.2%.

In Latam, the outperformer for the month was Chile, with the IPSA Index up by 7.7% whilst in Brazil the market remained subdued, with the Bovespa Index up by 1.0%, slowing down after its strong rally at the end of 2023. The Mexican market was down by 3.4% hampered partly by January's inflationary figures which were reported higher than expected resulting in Banxico (Mexico's central bank) keeping interest rates at 11.25%. Further, Mexico's

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).

President Andrés Manuel López Obrador recently proposed reforms created additional noise in the market.

In the commodities markets, industrial metals were mixed in February, with copper down by 1.8% but nickel seeing a rebound in pricing, up 10.3%. Precious metals were also mixed with gold up marginally by 0.2% but silver down 1.2%. Oil prices continued to creep up, increasing by 2.3% for the month.

PORTFOLIO

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

Somers' valuation decreased by 6.3%. The fall in price was mainly the result of Somers' second largest holding, Resimac, whose share price fell by 12.8% over the month as investors took some profit on the back of the recent strong rally in the sector based around rate cut expectations providing a soft landing in mid 2024. During February, one of Australia's largest mortgage lenders also warned of the increasing financial strain on consumers. UIL also holds a significant direct investment in Resimac.

Somers entered into an agreement which resulted in the merger of Waverton Investment Management Limited ("Waverton") with London & Capital Group. UIL owns 41.7% of Somers and Waverton is Somers' largest holding. Waverton is an independent investment management business with over £10bn in assets under management. The transaction will result in Somers receiving two thirds of its consideration in cash on completion together with a significant shareholding in the combined new business. The transaction is subject to various conditions, including regulatory approvals and is expected to complete in mid 2024.

Zeta's share price increased by 1.9% over the month.

UEM's share price declined by 2.4% in February, as it delivered a NAV total return of 0.6%, underperforming the MSCI Emerging Markets total return Index which was up by 5.6% in Sterling terms in the month. UEM's discount to NAV widened from 14.5% to 17.0%.

DEBT

Bank debt was reduced by £5.0m to £10.0m over the month all drawn in Sterling. Other debt increased from £7.2m to £9.9m in February.

ZDP SHARES

In February, the share price of the 2024 ZDP shares appreciated by 1.6% whilst the 2026 ZDP shares remained flat and the 2028 ZDP shares fell 1.0%.

PORTFOLIO SUMMARY

TOP TEN HOLDINGS		% of Group investments
1	Somers Limited	42.9%
2	Zeta Resources Limited	15.6%
3	Utilico Emerging Markets Trust plc	10.1%
4	Resimac Group Limited	6.9%
5	Allectus Capital Limited	6.2%
6	Allectus Quantum Holdings Limited	5.3%
7	The Market Limited	3.2%
8	West Hamilton Holdings Limited	2.4%
9	Carebook Technologies Inc	1.5%
10	Arria NLG Limited	1.0%
Total Top Ten		95.1%

SECTOR SPLIT OF INVESTMENTS

Financial Services	50.4%
Technology	20.8%
Resources	11.7%
Other	4.1%
Gold Mining	3.9%
Ports	2.4%
Electricity	2.2%
Renewables	1.2%
Water	1.0%
Oil and Gas	0.7%
Telecommunications	0.6%
Airports	0.6%
Infrastructure Investments	0.4%

GEOGRAPHICAL SPLIT OF INVESTMENTS

Australia	40.0%
UK	20.6%
Middle East/Africa	10.2%
Bermuda	8.4%
Asia	6.7%
Europe (excluding UK)	5.9%
Latin America	3.5%
Canada	2.1%
USA	1.8%
New Zealand	0.8%

OTHER

UIL's ordinary share price decreased by 6.1% to 115.50p in February while the discount to NAV was broadly unchanged from 39.6% to 39.3%.

The second quarterly interim dividend of 2.00p per ordinary share in respect of the year ending 30 June 2024, was declared and will be paid on 4 June 2024 to shareholders on the register on 10 May 2024.

Charles Jillings
ICM Investment Management Limited and ICM Limited