

**A DIVERSE PORTFOLIO BY GEOGRAPHY AND SECTOR**

# Focused on discovering compelling investments

**JUNE 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.

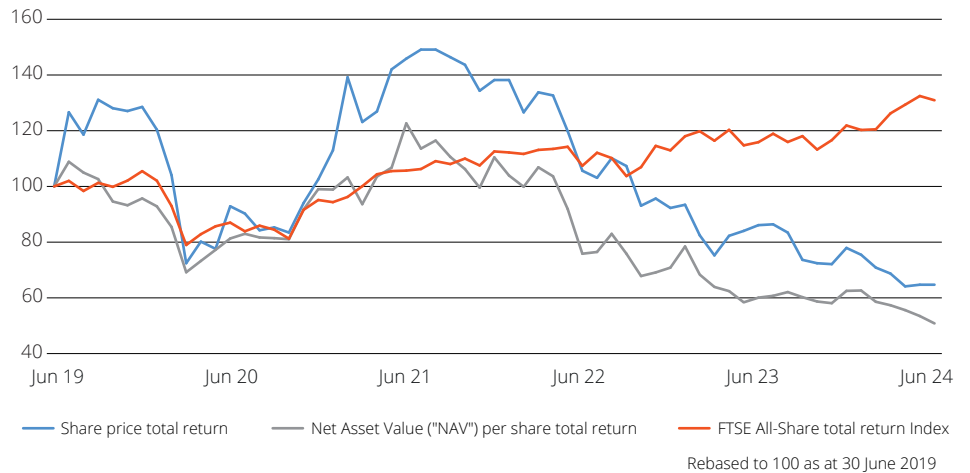
**INVESTMENT APPROACH**

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**

|                               |                                   |
|-------------------------------|-----------------------------------|
| <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          | 0.0%    | (5.8%)   | (24.8%) | (55.6%) | (35.3%) | 251.4%    |
| NAV per share        | (4.9%)  | (11.4%)  | (15.4%) | (58.6%) | (49.2%) | 274.7%    |
| FTSE All-Share Index | (1.2%)  | 3.7%     | 13.0%   | 23.9%   | 30.9%   | 352.1%    |

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

| 12 Months to         | June 24 | June 23 | June 22 | June 21 | June 20 |
|----------------------|---------|---------|---------|---------|---------|
| Share Price          | (24.8%) | (18.5%) | (27.6%) | 57.0%   | (7.1%)  |
| NAV per share        | (15.4%) | (20.8%) | (38.2%) | 50.8%   | (18.7%) |
| FTSE All-Share Index | 13.0%   | 7.9%    | 1.6%    | 21.5%   | (13.0%) |

**FUND DETAILS**
**ORDINARY SHARES**

Ticker: UTL.L

|  |            |
|--|------------|
| NAV per share at launch of UIT*                      | 99.47p     |
| NAV per share (cum income)                           | 163.31p    |
| Share price  | 103.50p    |
| Discount to NAV                                      | (36.6%)    |
| Annual average compound return (including dividends) | 6.5%       |
| Historic dividend per share                          | 8.00p      |
| Historic dividend yield                              | 7.7%       |
| 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 | £243.4m |
| Bank and other Debt                   | £2.9m   |
| ZDP shares 2024                       | £40.8m  |
| ZDP shares 2026 <sup>(1)</sup>        | £33.6m  |
| ZDP shares 2028 <sup>(2)</sup>        | £29.2m  |
| Shareholders' Funds (Ordinary Shares) | £136.9m |
|                                       | £243.4m |
| Gearing (based on AIC definition)     | 74.4%   |

<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      | 136.15p | 135.15p | 119.49p |
| Share Price                      | 133.00p | 119.00p | 98.00p  |
| Premium/(discount) to NAV        | (2.3%)  | (11.9%) | (18.0%) |
| ZDP Cover <sup>†</sup>           | 5.49x   | 2.96x   | 2.02x   |
| Yield to Redemption <sup>†</sup> | 12.4%   | 10.9%   | 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 |

<sup>†</sup>based on final redemption values



## PERFORMANCE

UIL's NAV total return declined by 4.9% in June, underperforming the FTSE All Share total return Index which declined by 1.2% over the month.

Global stock markets were mixed in June. In the US, the Federal Reserve kept rates on hold and US markets continued to appreciate, with the S&P 500 gaining 3.5% in June. The European Central Bank did cut rates as expected in early June and European markets were generally weaker with the Eurostoxx and FTSE 100 down 1.8% and 1.3% respectively over the month, ahead of French and UK elections in early July. In Australia, the ASX-200 advanced by 0.9%.

In emerging markets, there were strong technology sector driven rallies in the Taiwanese and Korean markets. Both markets are large constituents of the MSCI EM Index, which was up 4.7% in Sterling terms over the month. India's SENSEX Index gained 6.9% in response to the re-election of Narendra Modi as Prime Minister in a coalition government which many commentators saw as a "Goldilocks outcome". In contrast, Claudia Sheinbaum's stronger than expected majority in Mexico's presidential election was taken negatively by the market, with a 5.0% decline in the MEXBOL Index in June accompanied by a 6.7% decline in the value of the Mexican Peso versus the US Dollar. Chinese equity markets were also weaker, with the Shanghai Composite down by 3.9% and the Hang Seng Index down by 2.0%.

Sterling weakened by 0.7% against the US Dollar and 1.1% against the Australian Dollar, whilst gaining 0.6% against the Euro in June. There were significant moves in Latin American currencies, with the Mexican Peso declining by 6.1% against Sterling and the Brazilian Real weaker by 4.9%.

In the commodities markets, Brent Crude oil bounced back, rising 5.9% for the month after weakness in May. The nickel price declined by 12.5% and copper was down by 4.6%. The gold price was stable.

## PORTFOLIO

There was one change to the top ten constituents of the UIL portfolio in May, with WT Financial replacing Arria NLG due to a write-down in Arria's carrying valuation.

The merger between Waverton and London & Capital completed at the end of June with the cash proceeds allowing Somers to make a substantial dividend distribution to its

shareholders, including UIL. Adjusted for this distribution, Somers' NAV declined by 1.6% in the month, principally due to a 7.5% decline in the share price of Resimac, which is also held directly by UIL.

Zeta's share price rose by 4.2% over the month, with its net tangible assets ("NTA") increasing by 1.2%. Subsequent to the month end, Zeta announced that it has received a non-binding letter of notice from its major shareholders, UIL and General Provincial Life Pension Fund, who together hold 95% of the Zeta shares in issue, that they are considering acquiring the shares in Zeta that they do not currently own by compulsory acquisition.

A periodic review of the valuation of Allectus Capital's portfolio resulted in a 21.2% decline in its NAV.

UEM's NAV total return for the month was 0.2%. UEM's share price total return eased by 1.3% in June, with its discount to NAV rising to 18.6% from 17.2%. The Market Limited's share price fell by 3.2% over the month whilst Carebook Technologies' share price was unchanged. WT Financial's share price was up 8.6% in June.

Realisations totalled £1.0m and there were no material purchases during the month.

## DEBT

Bank and other debt reduced to £2.9m from £11.1m, all drawn in Sterling.

## ZDP SHARES

In June, the share prices of the 2024, 2026 and 2028 ZDP shares appreciated by 0.8%, 2.1% and 1.6% respectively.

## OTHER

UIL's ordinary share price was unchanged at 103.50p in June while the discount to NAV narrowed from 39.8% to 36.6%.

The third 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 31 July 2024 to shareholders on the register as at 5 July 2024.

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

## PORTFOLIO SUMMARY

| TOP TEN HOLDINGS     |                                    | % of Group investments |
|----------------------|------------------------------------|------------------------|
| 1                    | Somers Limited                     | 44.2%                  |
| 2                    | Zeta Resources Limited             | 17.5%                  |
| 3                    | Utilico Emerging Markets Trust plc | 8.6%                   |
| 4                    | Resimac Group Limited              | 6.9%                   |
| 5                    | Allectus Quantum Holdings Limited  | 6.1%                   |
| 6                    | Allectus Capital Limited           | 5.1%                   |
| 7                    | West Hamilton Holdings Limited     | 2.8%                   |
| 8                    | The Market Limited                 | 2.5%                   |
| 9                    | Carebook Technologies Inc          | 1.7%                   |
| 10                   | WT Financial Group Limited         | 1.1%                   |
| <b>Total Top Ten</b> |                                    | <b>96.5%</b>           |

## SECTOR SPLIT OF INVESTMENTS

|                            |       |
|----------------------------|-------|
| Financial Services         | 47.9% |
| Technology                 | 22.9% |
| Resources                  | 12.4% |
| Gold Mining                | 5.1%  |
| Other                      | 4.0%  |
| Ports                      | 2.0%  |
| Electricity                | 1.6%  |
| Water                      | 1.1%  |
| Renewables                 | 1.1%  |
| Airports                   | 0.6%  |
| Telecommunications         | 0.5%  |
| Infrastructure Investments | 0.4%  |
| Oil and Gas                | 0.4%  |

## GEOGRAPHICAL SPLIT OF INVESTMENTS

|                       |       |
|-----------------------|-------|
| Australia             | 46.3% |
| UK                    | 10.9% |
| Middle East/Africa    | 10.4% |
| Europe (excluding UK) | 8.7%  |
| Bermuda               | 8.2%  |
| Asia                  | 6.4%  |
| Latin America         | 2.8%  |
| USA                   | 2.6%  |
| Canada                | 2.4%  |
| 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).