

ABOUT US: UIL Limited (formerly Utilico Investments Limited) is a closed end investment company, traded on the London Stock Exchange, registered in Bermuda. Registered No 39480.

OBJECTIVE: To maximise shareholder returns by identifying and making investments where the underlying value is not reflected in the market price.

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. The Company has the flexibility to make investments in a wide range of sectors and markets.

DECEMBER 2018

ORDINARY SHARES

Ticker: UTL.L

| | |
|--|------------|
| NAV at launch of UIT* | 99.47p |
| NAV (cum income) | 296.48p |
| Share Price | 174.00p |
| Discount to NAV | (41.3%) |
| Annual average compound return (including dividends) | 12.2% |
| Historic Dividend paid per share | 7.50p |
| Historic Dividend Yield | 4.3% |
| Ongoing charges figure excluding performance fees | 2.1% |
| Shares in issue | 89,493,389 |

* Utilico Investment Trust plc ("UIT") – UIL Limited's predecessor

PERFORMANCE



PERFORMANCE (Total return including dividends)

| | 1 month | 3 months | 1 year | 3 years | Inception |
|------------------------|---------|----------|--------|---------|-----------|
| Share Price | 2.6% | (3.6%) | 11.1% | 87.1% | 298.7% |
| Net Asset Value | 5.3% | (7.2%) | 14.0% | 100.0% | 485.1% |

ROLLING 12 MONTH PERFORMANCE

(Total return including dividends)

| | 12 Months to | Dec 18 | Dec 17 | Dec 16 | Dec 15 | Dec 14 |
|------------------------|--------------|--------|--------|--------|--------|--------|
| Share Price | | 11.1% | 19.3% | 41.1% | 3.9% | 2.8% |
| Net Asset Value | | 14.0% | 5.1% | 66.9% | 6.5% | 11.8% |

INVESTMENT MANAGERS

UIL Limited is managed by ICM Limited and ICM Investment Management Limited, which is authorised and regulated by the Financial Conduct Authority. www.icm.limited and www.icmim.limited

BOARD

| | | |
|---------------|--------------------|-----------------|
| Peter Burrows | Christopher Samuel | Warren McLeland |
| Alison Hill | David Shillson | Eric Stobart |

TEAM

| | | |
|------------------|-------------------|--------------|
| Charles Jillings | Jacqueline Broers | Mark Lebbell |
| Duncan Saville | Jonathan Grocock | |

MANAGEMENT & PERFORMANCE FEES

| | |
|---------------------------|--|
| Investment Management fee | 0.5% plus Company Secretarial Fee |
| 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 |

ZDP SHARES

| | 2020 | 2022 | 2024 | 2026 |
|-----------------------------|---------|---------|---------|---------|
| Accrued Capital Entitlement | 136.25p | 116.52p | 105.54p | 103.38p |
| Share Price | 147.00p | 128.50p | 108.50p | 104.00p |
| Premium to NAV | 7.9% | 10.3% | 2.8% | 0.6% |
| ZDP Cover* | 4.32x | 2.61x | 2.13x | 1.83x |
| Yield to Redemption* | 2.9% | 3.6% | 4.3% | 4.9% |
| ZDP Redemption Value | 154.90p | 146.99p | 138.35p | 151.50p |
| Shares in issue | 39.0m | 50.0m | 30.0m | 25.0m |
| Ticker | UTLE.L | UTLF.L | UTLG.L | UTLH.L |

*based on final redemption values

CAPITAL STRUCTURE

| | |
|---------------------------------------|---------|
| Gross Assets less Current Liabilities | £484.8m |
| Bank and other Debt | £51.9m |
| ZDP shares 2020 | £53.7m |
| ZDP shares 2022 | £57.7m |
| ZDP shares 2024 | £30.8m |
| ZDP shares 2026* | £25.4m |
| Shareholders' Funds (Ordinary Shares) | £265.3m |
| | £484.8m |
| Gearing (based on AIC definition) | 77.5% |

*includes 13.4m 2026 ZDP shares held by UIL

GEARING AIC – standardised gearing calculation as recommended by the AIC is based on net assets

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 |
| 2020 ZDP shares expiry | 31 October 2020 |
| 2022 ZDP shares expiry | 31 October 2022 |
| 2024 ZDP shares expiry | 31 October 2024 |
| 2026 ZDP Shares Expiry | 31 October 2026 |

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PERFORMANCE

UIL's NAV total return increased 5.3% during December, this was positive as the FTSE All Share Total Return Index was down 3.7% in the month.

December saw another volatile month with the majority of markets witnessing a decline. The 90-day deferral of Chinese import tariffs from 10% to 25% in the US-Sino trade war helped to initially excite the markets, although later confusion over details of this truce and fear of further global recession resulted in market sell downs. Slightly confused messaging as well from the Federal Bank during December on its tightening policy whether it be by balance-sheet contraction or interest rate increases also did not help matters. As a result, the S&P 500 Index was down 9.2%, with the Dow Jones Industrial Average Index down 8.7% for December, with the last week in 2018 witnessing some of the most volatility, clearly indicating that the market is lacking in conviction. The Japanese Nikkei was also down 10.5% along with the European markets as the German Dax Index was down 6.2%, the Spanish IBEX 35 down 5.9%, the French CAC down 5.4% and the UK FTSE 100 down 3.6%. The Spanish Senate's rejection of the government's 2019 budget and decision by the British Prime Minister Theresa May to delay the parliamentary vote on the Brexit until January, all added to further uncertainty.

During the period, Sterling depreciated against the Euro by 1.1%, whilst the US Dollar depreciated by 0.2%. Sterling against the Australian Dollar was up 3.5%.

Emerging markets weathered the storm slightly better as the Chinese's Shanghai Composite Index was down 3.6%, the Hong Kong Hang Seng Index was down 2.5% and the Brazilian Bovespa Index was down 1.8%. Over this period the Chinese Renminbi appreciated against Sterling by 1.1% whilst the Hong Kong Dollar and the Brazilian Real remained broadly unchanged appreciating 0.1% and 0.2% respectively. The Mexican Peso saw the largest move and appreciated 3.5% against Sterling as the newly elected President Obrador, who took office on the 1 December, delivered his first budget that helped to calm investors' nerves. The budget was broadly in line with market expectations.

Brent crude oil continued the decline witnessed in November, falling 8.4% in December to USD 53.80/bbl as continued concerns of oversupply and a deteriorating outlook for demand. Gold was up over the month, 4.9% to USD 1,282.45 per ounce on the back of the growing negativity in the equity markets.

PORTFOLIO

There were no changes to the constituents of the top ten investments in UIL in December. Resolute Mining's share price saw the greatest move, up 21.1% during the month, following the strong uplift in production from Syama. The commencement of sublevel cave ore production from the Syama Underground Mine during December 2018 will result in further future production increases from Syama operations. The increase in the gold price also helped as the increased uncertainty in the equity markets has led to some investors shifting toward gold stocks.

Afterpay Touch's share price was down by 13.9% in December and remains volatile after the 15.3% increase last month.

Purchases during the month for the portfolio amounted to £3.6m and realisations totalled £0.1m.

DEBT

Bank debt totalled £49.6m at 31 December 2018, with the underlying positions drawn in AUD 69.0m and CAD 20.0m unchanged on 30 November 2018. Foreign exchange hedge positions to Sterling were broadly unchanged at USD 60.0m, EUR 12.0m and NZD 7.4m, although the AUD hedge position increased to AUD 225.1m.

OTHER

UIL's share price ended December at 174.00p, a 1.5% increase over the month. The discount to NAV was at 41.3%. UIL paid its first quarterly dividend of 1.875p per ordinary share in respect of the year ending 30 June 2019 on 21 December 2018 to shareholders on the register on 7 December 2018.

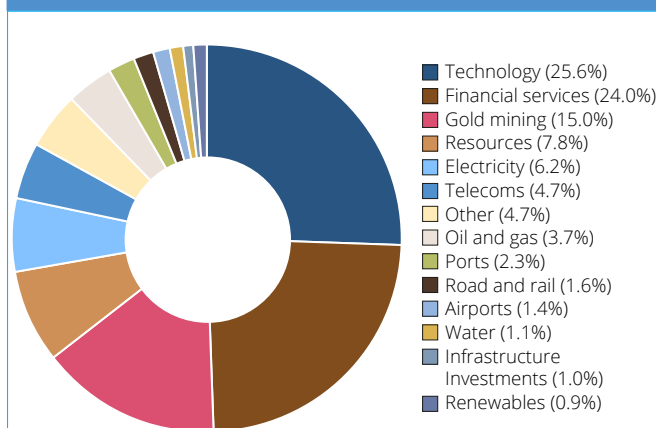
The 2020 ZDP share price was unchanged at 147.00p, while the 2022, 2024 and 2026 ZDP shares all advanced by 1.2%, 0.5% and 1.0% respectively.

Charles Jillings
ICM Investment Management Limited and ICM Limited

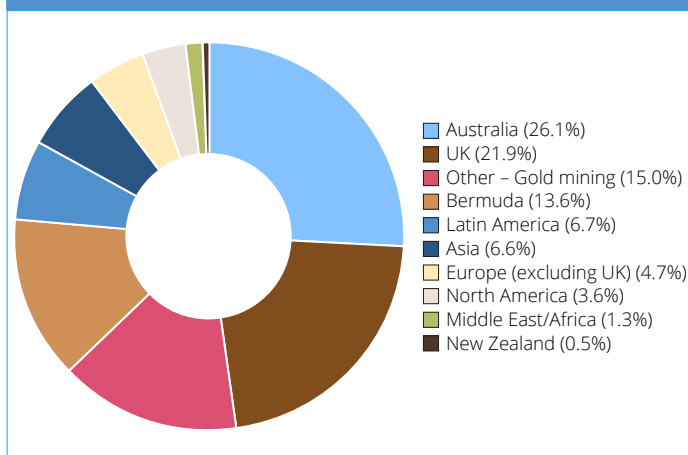
TOP TEN HOLDINGS

| | % of gross assets |
|---|-------------------|
| 1. Somers Limited | 23.9% |
| 2. Utilico Emerging Markets Trust plc | 16.0% |
| 3. Resolute Mining Limited | 12.3% |
| 4. Zeta Resources Limited | 11.1% |
| 5. Optal Limited | 8.7% |
| 6. Afterpay Touch Group Limited | 8.0% |
| 7. Bermuda First Investment Company Limited | 5.2% |
| 8. Vix Tech Pte Ltd | 3.2% |
| 9. Allectus Capital Limited | 2.1% |
| 10. Coldharbour Technology Limited | 1.6% |
| Total Top 10 | 92.1% |

SECTOR SPLIT OF INVESTMENTS



GEOGRAPHICAL SPLIT OF INVESTMENTS



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