

# UIL is a closed-end investment company, traded on the London Stock Exchange

**FEBRUARY 2019**

## UIL Limited ("UIL")

### OBJECTIVE

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

### INVESTMENT APPROACH

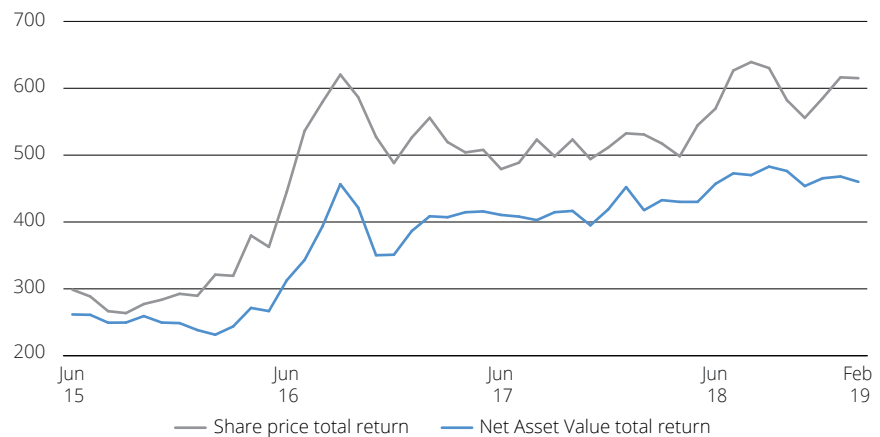
To seek to invest in undervalued investments. This perceived undervaluation may arise from any number of factors, including technological change, market motivation, prospective financial engineering opportunities, competition, management underperformance or shareholder apathy. UIL has the flexibility 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>2020 ZDP shares expiry</b>	31 October 2020
<b>2022 ZDP shares expiry</b>	31 October 2022
<b>2024 ZDP shares expiry</b>	31 October 2024
<b>2026 ZDP Shares Expiry</b>	31 October 2026

\*Utilico Investment Trust plc – UIL's predecessor

### PERFORMANCE



Rebased to 100 as at 14 August 2003

### PERFORMANCE (Total return including dividends)

	1 month	3 months	1 year	3 years	Inception
Share Price	(1.7%)	1.4%	10.2%	98.8%	294.1%
Net Asset Value	(0.2%)	10.7%	15.9%	91.5%	515.1%

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

12 Months to	Feb 19	Feb 18	Feb 17	Feb 16	Feb 15
Share Price	10.2%	2.2%	76.6%	(8.7%)	11.0%
Net Asset Value	15.9%	(4.5%)	73.0%	16.5%	16.9%

### FUND DETAILS

#### ORDINARY SHARES

Ticker: UTL.L

NAV at launch of UIT*	99.47p
NAV (cum income)	311.72p
Share Price	172.00p
Discount to NAV	(44.8%)
Annual average compound return (including dividends)	12.4%
Historic Dividend paid per share	7.50p
Historic Dividend Yield	4.4%
Ongoing charges figure excluding performance fees	2.1%
Shares in issue	89,493,389

\*Utilico Investment Trust plc – UIL's predecessor

#### ZDP SHARES

	2020	2022	2024	2026
Accrued Capital Entitlement	137.80p	117.12p	105.96p	103.81p
Share Price	148.50p	127.00p	110.00p	104.50p
Premium to NAV	7.8%	8.4%	3.8%	0.7%
ZDP Cover*	4.54x	2.71x	2.21x	1.89x
Yield to Redemption*	2.6%	4.1%	4.1%	5.0%
ZDP Redemption Value	154.90p	146.99p	138.35p	151.50p
Shares in issue	39.0m	50.0m	30.0m	25.0m
Ticker	UTL.L	UTL.F.L	UTL.G.L	UTL.H.L

\*based on final redemption values

#### CAPITAL STRUCTURE

Gross Assets less Current Liabilities	£496.5m
Bank and other Debt	£48.3m
ZDP shares 2020	£54.2m
ZDP shares 2022	£58.3m
ZDP shares 2024	£31.0m
ZDP shares 2026*	£25.7m
Shareholders' Funds (Ordinary Shares)	£279.0m
	£496.5m
Gearing (based on AIC definition)	73.0%

\*includes 13.4m 2026 ZDP shares held by UIL

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

#### 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](http://www.icm.limited) and [www.icmim.limited](http://www.icmim.limited)

#### INVESTMENT MANAGEMENT FEE

0.5% of gross assets 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.

On 16 November 2015, UIL changed its name from Utilico Investments Limited.

### A DIVERSE PORTFOLIO BY GEOGRAPHY AND SECTOR



## PERFORMANCE

During February, UIL's NAV total return decreased by 0.2%, behind the FTSE All Share Total Return Index which was up by 2.3% in the month.

Markets in February were mixed. The US and Chinese markets were up on the back of the rising optimism that a US-China trade agreement will be signed. The S&P 500 Index was up 3.0% and the Hong Kong Hang Seng Index up 2.5%.

The emerging market indices were the weaker performers in February, with the Argentinian Merval Index down 5.1% due to another negative surprise. CPI inflation for January was announced as a 2.9% increase, higher than the market consensus of 2.5%, interrupting a trend of three consecutive months of slowing down. Despite the announcement of a better than expected package for the long-awaited pension reform in Brazil, the Brazilian Bovespa Index was down 1.9%. The Philippines PSEI Index was also down by 3.8% along with the Indian Sensex Index, down 1.1%, partly due to geopolitical tensions increasing with Pakistan and partly due to the fact that India has begun to gear up for an election starting in April, with uncertainty about the electoral outcome rising. However, the Romanian BET Index was up 10.4% during the period, recovering from the past two month's weakness.

Sterling recovered amid growing hopes that UK will avoid a disorderly Brexit. Sterling was up against most currencies during the month, rising by 1.1% against the US Dollar, 1.9% against the Euro and 3.6% against the Australian Dollar. Sterling appreciated 6.1% against the Argentinian Peso and 4.1% against the Brazilian Real.

In February, Brent crude oil continued to recover, up 6.7%, increasing from USD 61.89/bbl to USD 66.03/bbl with supply concerns returning to the fore on production

cuts by OPEC and other producers as well as a surprise fall in US crude inventories. Gold however was marginally down over the month by 0.6% to USD 1,313.31 per ounce.

## PORTFOLIO

There were no changes to the constituents of the top ten investments in UIL during February. Afterpay's share price advanced 15.8% after its interim results showed strong revenue growth and proposed new regulations on the 'buy now, pay later' sector in Australia were seen as positive for the company.

Resolute Mining's share price was down 2.7% and Zeta Resources was down 1.4%.

Purchases during the month for the portfolio amounted to £5.3m and realisations totalled £0.4m.

## DEBT

Bank debt totalled £48.3m as at 28 February 2019, with the underlying positions drawn in AUD 69.0m and CAD 20.0m. Foreign exchange hedge positions to Sterling were increased to USD 90.0m and EUR 18.0m, whilst the New Zealand Dollar position remained at NZD 7.4m. The Australian Dollar hedge position was reduced to AUD 45.0m.

## OTHER

UIL's share price ended February at 172.00p, a 1.7% decrease over the month. The discount to NAV was at 44.8%.

The 2020 ZDP share price was flat at 148.50p, while the 2022 decreased by 2.3% to 127.00p. The 2024 and 2026 ZDP shares both advanced 0.2%, during the month.

On 19 February 2019, UIL declared a second quarterly dividend of 1.875p per ordinary share in respect of the year ending 30 June 2019, which will be paid on 29 March 2019.

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

## PORTFOLIO SUMMARY

TOP TEN HOLDINGS		% of Group investments
1	Somers Limited	22.4%
2	Utilico Emerging Markets Trust plc	16.5%
3	Zeta Resources Limited	11.8%
4	Resolute Mining Limited	11.1%
5	Afterpay Touch Group Limited	10.0%
6	Optal Limited	8.0%
7	Bermuda First Investment Company Limited	4.8%
8	Vix Tech Pte Ltd	3.0%
9	Allectus Capital Limited	2.9%
10	Coldharbour Technology Limited	1.7%
<b>Total Top Ten</b>		<b>92.2%</b>

## SECTOR SPLIT OF INVESTMENTS

Technology	27.3%
Financial Services	22.5%
Gold Mining	13.3%
Resources	9.0%
Electricity	6.0%
Other	5.0%
Telecoms	4.5%
Oil and Gas	3.6%
Ports	2.5%
Road and Rail	1.8%
Water	1.3%
Airports	1.2%
Renewables	1.0%
Infrastructure Investments	1.0%

## GEOGRAPHICAL SPLIT OF INVESTMENTS

Australia	28.3%
UK	21.5%
Other – Gold Mining	13.3%
Bermuda	12.6%
Latin America	7.1%
Asia	6.8%
North America	4.2%
Europe (excluding UK)	4.2%
Middle East / Africa	1.4%
New Zealand	0.6%

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### 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).

