

## A DIVERSE PORTFOLIO BY GEOGRAPHY AND SECTOR

# Delivering long-term return for shareholders

### OCTOBER 2021

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

#### OBJECTIVE

UIL Limited ("UIL") seeks to maximise shareholder returns by identifying and making investments where the underlying value is not reflected in the market price.

#### INVESTMENT APPROACH

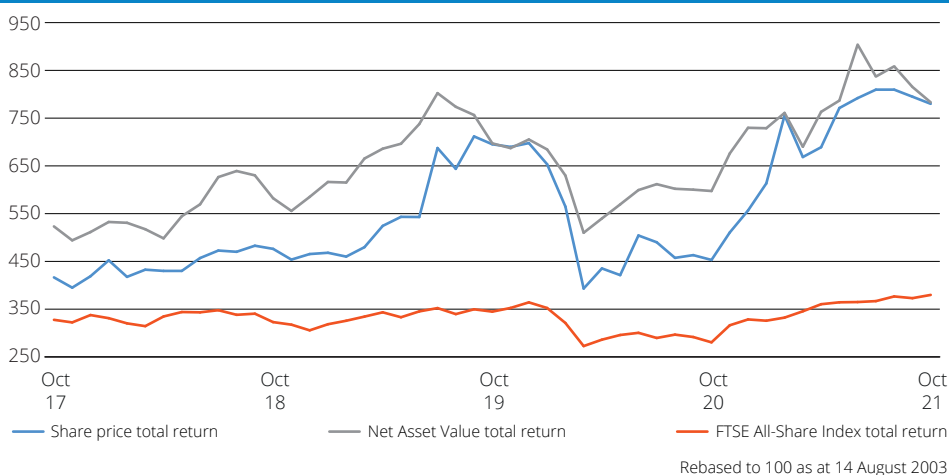
To seek to invest in undervalued investments. This perceived undervaluation may arise from any number of factors, including technological change, market motivation, prospective financial engineering opportunities, competition, management underperformance or shareholder apathy. UIL has the flexibility to make investments in a wide range of sectors and markets.

#### KEY DATES

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
2022 ZDP shares expiry	31 October 2022
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	Inception
Share Price	(1.9%)	(3.7%)	72.2%	63.8%	680.0%
Net Asset Value	(4.0%)	(6.5%)	31.1%	34.5%	683.1%
FTSE All-Share Index total return	1.8%	3.5%	35.4%	17.6%	279.8%

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

12 Months to	Oct 21	Oct 20	Oct 19	Oct 18	Oct 17
Share Price	72.2%	(34.8%)	46.0%	14.3%	(1.2%)
Net Asset Value ("NAV")	31.1%	(14.3%)	19.7%	11.3%	(10.8%)
FTSE All-Share Index total return	35.4%	(18.6%)	6.8%	(1.5%)	13.4%

### FUND DETAILS

#### ORDINARY SHARES

Ticker: UTL.L

NAV at launch of UIT*	99.47p
NAV (cum income)	371.83p
Share Price	262.00p
Discount to NAV	(29.5%)
Annual average compound return (including dividends)	12.0%
Historic Dividend paid per share	8.00p
Historic Dividend Yield	3.1%
Ongoing charges figure excluding performance fees	2.1%
Shares in issue	83,979,018

\*Utilico Investment Trust plc - UIL's predecessor

#### CAPITAL STRUCTURE

Gross Assets less Current Liabilities	£511.8m
Bank and other Debt	£60.7m
ZDP shares 2022	£49.1m
ZDP shares 2024	£35.6m
ZDP shares 2026*	£29.4m
ZDP shares 2028**	£24.8m
Shareholders' Funds (Ordinary Shares)	£312.2m
	£511.8m
Gearing (based on AIC definition)	62.8%

\* includes 3.1m 2026 ZDP shares held by UIL

\*\* 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](http://www.icm.limited)

#### ZDP SHARES

	2022	2024	2026	2028
Accrued Capital Entitlement	138.32p	120.34p	118.68p	102.95p
Share Price	141.00p	123.00p	116.50p	98.00p
Premium/(discount) to NAV	1.9%	2.2%	(1.8%)	(4.8%)
ZDP Cover*	4.51x	3.30x	2.65x	2.21x
Yield to Redemption*	4.3%	4.0%	5.4%	6.5%
ZDP Redemption Value	146.99p	138.35p	151.50p	152.29p
Shares in issue	35.6m	30.0m	25.0m	25.0m
Ticker	UTL.L	UTL.G.L	UTL.H.L	UTL.L.L

\*based on final redemption values



## PERFORMANCE

UIL's NAV total return decreased by 4.0% during October, which was behind the FTSE All Share Total Return Index ("FTSE") up 1.8% over the month. Year to

date, UIL's NAV total return was up 7.3% versus the FTSE which was up 15.6%.

Markets were mixed in October with some strong performances delivering all-time highs. The S&P 500 shrugged off inflation concerns to rise 6.9% over the month, while the Euro Stoxx Index appreciated 5.0%. In comparison EM was relatively weak, with the Chinese Shanghai Composite easing 0.6% as power cuts due to coal supply shortages impacted sentiment. Central banks across the globe have started to raise interest rate expectations as economies rebound past pre-pandemic levels, boosted by the significant fiscal stimulus policy responses over the past eighteen months.

Varying interest rate outlooks, guided by unemployment and inflation expectations, have led to divergences in the foreign exchange markets, with Sterling appreciating against most currencies. Notably Sterling was 1.7% stronger against the US Dollar and 1.8% versus the Euro as the Bank of England indicated interest rates would rise quicker than market forecasts. The Australian Dollar bucked the trend, appreciating by 2.3% against Sterling during the month.

Supply constraints and the reopening of major economies continues to bolster commodity markets, with the price of Brent Crude Oil up 7.5% in the month, at USD 84.38/bbl hitting levels not seen in over five years. Copper advanced 6.8% and gold was up 1.5%.

## PORTFOLIO

There were no changes to UIL's top ten holdings in October. Somers saw its valuation decrease by 7.0% which mainly reflects a 16.6% decline in Resimac's share price during the month. In the commodities sector, Zeta Resources' share price appreciated by 12.3% due to strong performances from its significant holdings including Copper Mountain Mining which soared 34.3% and Horizon Gold, which was up 20.5%. In contrast, Resolute Mining's share price appreciated by a more modest 1.8% in October.

Starpharma's share price fell 21.1% during the month, notwithstanding Starpharma announcing healthy cash balances of AUD 53.4m as at 30 September 2021 and the imminent launch of its Viraleze antiviral nasal spray into Vietnam and Italy. Orbital's share price declined 4.7% after launching a 1-for-6 rights issue during the month in which UIL took up 100% of its entitlement. UEM's share price was down 4.6% reflecting weakness in its underlying portfolio, while Allectus' carrying value increased 6.5% on additional investment.

Purchases during the month for the portfolio totalled £1.3m and realisations amounted to £1.4m.

## DEBT

Bank debt positions were broadly flat, with the Sterling liability declining by 0.8% and ending October at £50.0m. The facility was drawn as AUD 34.2m, USD 30.7m and EUR 10.6m. Foreign exchange hedge positions to Sterling were increased against the US Dollar during the month. As at month-end, the positions against Sterling were USD 61.3m, AUD 60.6m, CAD 57.8m and EUR 17.7m.

## OTHER

UIL's ordinary share price was down 1.9% to 262.00p over the month. The discount to NAV narrowed slightly to 29.5% from 31.0%. During the month UIL bought back 35,000 shares at 265.00p.

The share prices of the 2022, 2024 and 2026 ZDP shares firmed, rising by 0.4%, 1.7% and 0.4% respectively. The share price of the 2028 ZDP shares declined by 2.0% in October.

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

## PORTFOLIO SUMMARY

TOP TEN HOLDINGS		% of Group investments
1	Somers Limited	38.2%
2	Zeta Resources Limited	19.1%
3	Utilico Emerging Markets Trust plc	14.5%
4	ICM Mobility Limited	8.3%
5	Allectus Capital Limited	5.0%
6	Resolute Mining Limited	4.2%
7	Orbital Corporation Limited	1.6%
8	Nautilus Data Technologies Inc	1.4%
9	Starpharma Holdings Limited	1.4%
10	Sindoh Co Limited	1.2%
<b>Total Top Ten</b>		<b>94.9%</b>

## SECTOR SPLIT OF INVESTMENTS

Financial Services	38.3%
Technology	18.9%
Resources	17.1%
Other	7.6%
Gold Mining	6.0%
Ports	3.5%
Electricity	1.8%
Telecoms	1.7%
Oil and Gas	1.6%
Renewables	1.4%
Infrastructure Investments	1.0%
Airports	0.6%
Water	0.5%

## GEOGRAPHICAL SPLIT OF INVESTMENTS

Australia	33.2%
North America	15.1%
UK	14.0%
Asia	11.2%
Europe (excluding UK)	6.5%
Other - Gold Mining	6.0%
Middle East/Africa	4.6%
Bermuda	4.4%
Latin America	3.6%
New Zealand	1.4%

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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).

