

Key Information Document

Purpose

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

Product

UIL Finance Limited (LEI: 213800JPJWZ5P3QJX538)
2024 Zero Dividend Preference Shares (ISIN: BMG916102079)

UIL Finance Limited is an investment company incorporated and registered in Bermuda (CRN: 39479)
PRIP Manufacturer: ICM Investment Management Ltd (“ICMIM”), authorised and regulated by the UK Financial Conduct Authority. This Key Information Document is maintained at <https://www.icm.limited/icm-investment-management>. For more information write to us at: Company Secretary, PO Box 208, Epsom, Surrey, KT18 7YF or call us on 01372 271486.

Dated: 09 November 2023

You are about to purchase a product that is not simple and may be difficult to understand

What is this Product?

TYPE: UIL Finance Limited (the “Company”) is an exempted closed-end investment company incorporated in Bermuda. You can invest in the Company by purchasing 2024 Zero Dividend Preference Shares (the “Shares”). The Shares are admitted to the standard segment of the Official List and to trading on the London Stock Exchange’s main market for listed securities. A zero dividend preference share does not pay a dividend.

OBJECTIVE: This product’s objective is to have a final capital entitlement of 138.35p per share on 31 October 2024. The Company is a wholly owned subsidiary of UIL Limited (“UIL”), whose objective is to maximise shareholder returns by identifying and investing in investments worldwide where the underlying value is not reflected in the market price. There are no specific industry sector or market exposure limits. UIL will acquire and dispose of investments in line with its investment policy. Some of the key aspects of UIL’s investment policy include that: investments in unlisted securities should not exceed 25% of gross assets at the time of investment; no single investment should exceed 30% of gross assets at the time of investment; derivatives may be used for efficient portfolio management; long-term borrowings take the form of Zero Dividend Preference Shares (ZDPs); borrowings (excluding ZDPs) in any currency appropriate to the portfolio may be up to 100% of gross assets although the Board of UIL has set a current limit of 33.3% of gross assets at the time of drawdown. UIL has borrowed and may borrow in the future to purchase assets, which will magnify any gains or losses made by UIL.

INTENDED RETAIL INVESTOR: The Shares are intended for retail investors based in the UK, as well as professionally-advised private clients, who understand and are willing to assume a medium level risk of capital loss in order to potentially receive a higher return. The Shares are only intended for those investors for whom the Shares form part of a portfolio of investments. The recommended holding period for the Shares is 31 October 2024. You may sell the Shares on the London Stock Exchange on any London business day between 8:00am and 4.30pm. Typically, at any given time on any given day, the price you pay to buy the Shares will be higher than the price at which you could sell them.

What are the risks and what could I get in return?

SUMMARY RISK INDICATOR:



<.....>
Lower Risk **Higher Risk**



The risk indicator assumes you keep the Shares until 31 October 2024. The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you. We have classified this product as 3 out of 7, which is a medium-low risk class. This rates the potential losses from future performance at a medium-low level and poor market conditions are unlikely to impact the amount you get back. The summary risk indicator only reflects historic share price volatility of the Company’s Shares. It excludes other risks inherent in the product and therefore does not show the full risk to the investor. Prior ranking liabilities and the risk of a reduction in asset cover to meet the redemption amount in full are not captured by the summary risk indicator. This product does not include any protection from future market performance so you could lose some or all of your investment. If we are not able to pay you what is owed, you could lose your entire investment.

What are the risks and what could I get in return? (continued)

PERFORMANCE INFORMATION:

The main factor which is likely to affect your future returns is the ability of UIL to put the Company in a position to meet its obligation to pay the final capital entitlement of 138.35p per share on 31 October 2024 and therefore the performance of UIL in achieving its own investment objective. UIL has delivered an average net asset value total return of 7.5% per annum since its launch in August 2003 to 31 October 2023, although past performance is not a guide to future performance. Prior to 31 October 2024, other factors which could have a material impact on your future returns are those which are likely to affect the price at which you would be able to sell your Shares in the Company, such as whether or not there is a liquid market in the Shares, general market conditions, the level of market interest rates and the performance of UIL. The Company does not compare the performance of the Shares to a benchmark index.

What could affect my return positively?

If you wish to realise your investment prior to 31 October 2024, then you will need to dispose of your Shares through the stock market and returns could be positively affected if there is good liquidity in the Shares, favourable market conditions, lower levels of interest rates or good performance of UIL. The maximum you can receive if you hold the Shares until their repayment date of 31 October 2024 is 138.35p per share, which is subject to UIL contributing the necessary funds to the Company and is therefore dependent on UIL's performance in achieving its own investment objective.

What could affect my return negatively?

The Company has no assets other than the obligation of UIL to put the Company in a position to meet its obligation to pay the final capital entitlement of 138.35p per share on 31 October 2024. If UIL does not, or is unable to, meet its obligations to contribute the necessary funds to the Company then the Company will be unable to pay the final capital entitlement in full or at all. As at 31 October 2023, the aggregate final capital entitlement of the Shares (and prior charges) was covered 4.13 times by UIL's gross assets. Should UIL's gross assets fall by 75.8% from 31 October 2023 over the remaining life of the Shares, then the Shares would not receive their final entitlements in full. If you wish to realise your investment prior to 31 October 2024, then you will have to dispose of your Shares through the stock market and returns could be negatively affected if there is poor liquidity in the Shares, poor market conditions, higher levels of interest rates or poor performance of UIL.

Under severely adverse market conditions, there is a risk that the value of the Shares could reduce significantly, potentially down to zero. Should UIL's gross assets as at 31 October 2023 fall by 90.1% over the remaining life of the Shares, equivalent to an annual fall of 90.1%, the Shares would receive no payment on 31 October 2024.

What happens if the Company is unable to pay out?

As a holder of zero dividend preference shares in the Company, you will not be able to make a claim under any investor compensation scheme in the event that the Company is unable to pay out.

What are the costs?

The Reduction in Yield (RIY) shows what impact the total costs you pay will have on the investment return you might get. The total costs take into account one-off, ongoing and incidental costs.

The amounts shown here are the cumulative costs of the product itself, for two different holding periods. They include potential early exit penalties. The figures assume you invest £10,000. The figures are estimates and may change in the future.

COSTS OVER TIME: The person selling you or advising you about this product may charge you other costs. If so, this person will provide you with information about these costs and show you the impact that all costs will have on your investment over time.

Investment £10,000

If you sell your Shares

Total Costs

Impact on return (RIY) per year

31 Oct 2024
(Recommended
holding period)

£0

0.00%

What are the costs? (continued)

COMPOSITION OF COSTS: The table below shows:

- The impact each year of the different types of costs on the investment return you might get at the end of the recommended holding period; and
- The meaning of the different cost categories

This table shows the impact on return per year			
One-Off Costs	Entry Costs	0.00%	The Company does not charge investors a fee for buying their Shares
	Exit costs	0.00%	The Company does not charge investors a fee for selling their Shares
Ongoing costs	Portfolio transaction costs	0.00%	The impact of the costs of us buying and selling underlying investments for the product
	Other ongoing costs	0.00%	The impact of your costs that we take each year for managing your investments, including interest costs on borrowings
Incidental costs	Performance fees	0.00%	The Company has no performance fee
	Carried interests	0.00%	There are no carried interests

How long should I hold it and can I sell my Shares early?

RECOMMENDED HOLDING PERIOD: 31 October 2024

The Shares are intended to be redeemed by the Company on 31 October 2024 and as such the recommended holding period is expected to be until this date. Equally, you may sell your Shares at any time without penalty through a broker, private investor plan administrator or adviser. You may have to pay brokerage fees, commissions and other related costs, payable to entities other than the Company, as a result of selling the Shares.

The price at which you sell your Shares will be determined at arms' length based on trading prices at the time on the London Stock Exchange and will not necessarily be equal to the value of the net assets of the Company. The share price is updated regularly on the website www.uil.limited.

You may be able to sell your Shares on the London Stock Exchange on any London business day between 8:00am and 4:30pm.

How can I complain?

As a holder of zero dividend preference shares in the Company, you do not have a right to complain to the UK Financial Ombudsman Service. In order to make a complaint, write to us at Company Secretary, PO Box 208, Epsom, Surrey, KT18 7YF, visit our website at <https://www.icm.limited/icm-investment-management> (which lists our contact information), email us at webcontact@icm.limited or call us on 01372 271486. If you have a complaint about any transaction through your broker, private investor plan manager or adviser, you should contact that person or organisation directly.

Other relevant information

The cost and risk calculations included in this Key Information Document follow the methodology prescribed by EU rules as they form part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended.

If you wish to find out further information about the Company, please visit our website www.uil.limited to view other publicly available information in relation to the Shares including the Company's latest report and accounts which contains a separate section on the Company's principal risks and risk mitigation. Alternatively, please write to us at Company Secretary, PO Box 208, Epsom, Surrey, KT18 7YF.

If you are in any doubt about the action you should take, you should seek independent financial advice.