

# Utilico Global Income plc



Utilico Global Income ("UGI") is a new actively managed income investment trust. Its aim is to provide long-term total returns through rising regular quarterly dividend payments and capital growth from a diversified global portfolio of equity and corporate bond investments.



## Investment objective and strategy

UGI's investment objective is to provide long-term total returns of 7.5% to 10.0% through rising regular quarterly dividend payments and capital growth<sup>(1)</sup>.

UGI is targeting an initial dividend yield of at least 5.0% for the year ending September 2019, paid quarterly, derived from the underlying portfolio.<sup>(2)</sup>

The portfolio will aim to provide investors with attractive rising quarterly dividend payments, the prospects of income and capital growth and above average returns with below average volatility.

The portfolio emphasis will be on the infrastructure and utility sectors in both developed and emerging markets.

The investments will be made in companies with attractive risk / return profiles that also offer above average income through either dividend or coupon payments and with a focus on capital preservation. This return profile is underpinned by companies that have strong cash flow generation, experienced management teams and strong corporate governance.

UGI will draw on the experience of its investment managers, ICM Limited and ICM Investment Management Limited ("ICMIM") whose combined investment team has extensive expertise and collectively has over 100 years' investment experience. The investment managers currently manage over £14.5bn of assets, directly and indirectly in a range of mandates.

UGI intends to deploy the net proceeds within three months of Initial Admission.

## Proposed fundraising

Initial target fund raise of £100m (£50m minimum) by way of Initial Placing, Offer for Subscription and Intermediaries Offer, followed by a 12 month Placing Programme.

UEMT and ICMIM have undertaken to subscribe £10.0m and £0.25m respectively pursuant to the Initial Placing.

## Close of Offer for Subscription

Monday 18 June 2018 at 11.00am.

## Expected admission and dealing in new shares

Friday 22 June 2018.

## Strong track record<sup>(3)</sup>

Investment managers, ICM Limited and ICMIM jointly manage two closed-end investment companies listed on the LSE:

- Utilico Emerging Markets Trust plc ("UEMT"). UEMT has delivered a 301.9% total return since its inception in July 2005, a CAGR of 11.5%<sup>(4)</sup>.
- UIL Limited ("UIL"). UIL has delivered a 398.3% total return since its inception in August 2003 and a CAGR of 11.5%<sup>(4)</sup>.

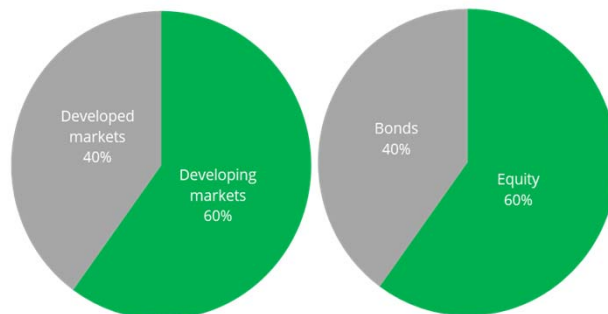
## Investment approach

UGI will look to identify and invest in undervalued companies which generate sustainable income streams with the long-term potential for capital appreciation.

## Asset allocation and portfolio construction

Disciplined, value oriented, bottom-up stock selection process based on rigorous internal equity and credit analysis within a framework of broad economic themes.

An illustrative portfolio will be:



UGI's investment policy is to invest in a range of financial instruments comprising predominately equities and fixed income securities, globally.

UGI will at all times invest and manage the portfolio in a manner consistent with spreading investment risk.

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(1) This is a target return only and not a profit forecast. There can be no assurance that the target will be met and it should not be taken as an indication of UGI's expected or actual future results. Accordingly investors should not place any reliance on this target in deciding whether or not to invest in UGI and should decide for themselves whether or not the target is reasonable or achievable. (2) Based on initial offer price. (3) Past performance is not a guide to future returns. (4) As at 30 April 2018.

# ICM Investment Philosophy



## Style

- Bottom-up, value investors.
- Focused portfolio.
- Absolute performance.
- Exploit market and pricing opportunities.
- Look to reduce risk structurally.
- Not market driven.
- Not expecting to hold sector balance.
- Not market relative performance.
- Will choose security over risk.
- Develop sector speciality.

## Key Team Members



### Charles Jillings

- Responsible for the day-to-day running and investment decisions.
- Employed by ICM since 1995
- Chartered accountant and previously worked in corporate finance at Hill Samuel for 10 years.



### Gavin Blessing

- Joined ICM in 2012 as a Fixed Income Analyst based in Dublin.
- Previously worked at Goldman Sachs Asset Management in London, ISTC and Canaccord Genuity in Dublin.



### Jacqueline Broers

- Has been involved in the running of UEMT since 2010.
- Previously worked in the Corporate Finance team at Lehman Brothers / Nomura and is a qualified chartered accountant.



### Jonathan Grocock

- Has been involved in the running of UEMT since 2011.
- Previously was an equity research analyst at Investec and is a CFA charter holder.



### Mark Lebbell

- Has been involved in the running of UEMT since inception.
- Associate member of the Institute of Electrical Engineering and Technology.

## Who are ICM / ICMIM

**ICM Limited ("ICM") and ICM Investment Management Limited ("ICMIM") are global asset managers.**

- Over 50 staff, 14 analysts and 7 offices globally.
- Over 100 years' of collective investment experience.
- Long term, bottom-up, value investment approach.
- ICMIM is UK based, authorised and regulated by the Financial Conduct Authority.

## Existing mandates for ICM / ICMIM

- UIL – Investment company with gross assets of £490m, listed on the LSE, (UTL.L).
- UEMT – Investment trust with gross assets of £580m, listed on the LSE, (UEM.L).
- Somers – USD 395m, listed on the BSX, (SOM.BM).
- Zeta Resources – AUD 140m, listed on the ASX, (ZER.AU).
- Pentagon (unlisted):
  - Global Diversified Bond Fund.
  - Global High Conviction Bond Fund.

Fund Structure	
Target fund size	£100m (£50m minimum) - UEMT and ICMIM have undertaken to subscribe £10.0m and £0.25m respectively pursuant to the Initial Placing
Starting NAV (estimated)	98p minimum
Fund structure/listing	UK investment trust, Premium listing LSE Main Market
Offer structure	Initial Placing, Offer for Subscription and Intermediaries Offer (with subsequent 12 month Placing Programme)
Reporting	Daily NAV, monthly factsheet, interims and audited annual report
Dividend policy	At least 85% of distributable profit – paid quarterly (first dividend re q/e 31 Dec 18)
Management fees	0.8% annual management fee
Life	Unlimited, with 5 year continuation vote
Fully invested	Approximately 3 months from initial admission
Leverage	Leverage up to 20% is permissible through bank debt
Board	Vivien Gould, Chairman; Laurence Hollingworth and Michael Wrobel, Non Executive Directors
Investment Managers and Company Secretary	ICM Limited and ICM Investment Management Limited (AIFM)
Joint Placing Agents	Stockdale Securities Limited and Investec Bank plc
Intermediaries Offer Advisor	Scott Harris UK Limited
Sponsor	Dickson Minto W.S.

## Selected Key Risks

Detailed disclosure of such risks will be contained in the prospectus, in the section headed “Risks Factors” which you should read carefully.

Investment risk	<ul style="list-style-type: none"> <li>The price of the Company's shares and the income from the shares can fall as well as rise.</li> <li>The Company is a newly formed company with no operating history.</li> <li>There can be no guarantee that the Company will achieve its investment objective or that investors will get back the full value of their investment.</li> <li>The target total shareholder return is based on estimates and assumptions and any actual return may be lower or negative.</li> </ul>
Corporate risk	<ul style="list-style-type: none"> <li>There can be no guarantee that the Company will achieve its investment objective, including the target dividend yield and total return.</li> <li>The Company is reliant on the performance and the continuance of the investment managers. The termination of the management agreement would severely affect the ability of the Company to manage its operations.</li> </ul>
Credit and interest rate risks	<ul style="list-style-type: none"> <li>The Company may invest in debt instruments which are subject to credit and interest rate risk.</li> </ul>
Political and country risks	<ul style="list-style-type: none"> <li>The Company may invest in investments based in countries where regulatory frameworks are still developing. There is no assurance that future political and economic conditions in the individual countries in which the Company invests will not result in their governments adopting different policies with respect to foreign investments.</li> </ul>
Gearing risk	<ul style="list-style-type: none"> <li>UGI may use gearing in the form of bank debt exposing investors to increased risk as gearing can increase the portfolio's market exposure and volatility.</li> </ul>
Exchange risk	<ul style="list-style-type: none"> <li>UGI is likely to be invested predominantly in securities which are not quoted in Sterling. Movements in exchange rates between Sterling and any other currencies in which the Company's investments are denominated may have a separate effect, unfavourable as well as favourable, on the return otherwise experienced on the Company's investments.</li> </ul>

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## Any prospective investor is recommended to consult an independent financial adviser.

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