

GRAVIS

UK LISTED PROPERTY

MONTHLY FACTSHEET
31 DECEMBER 2019

1

OVERVIEW

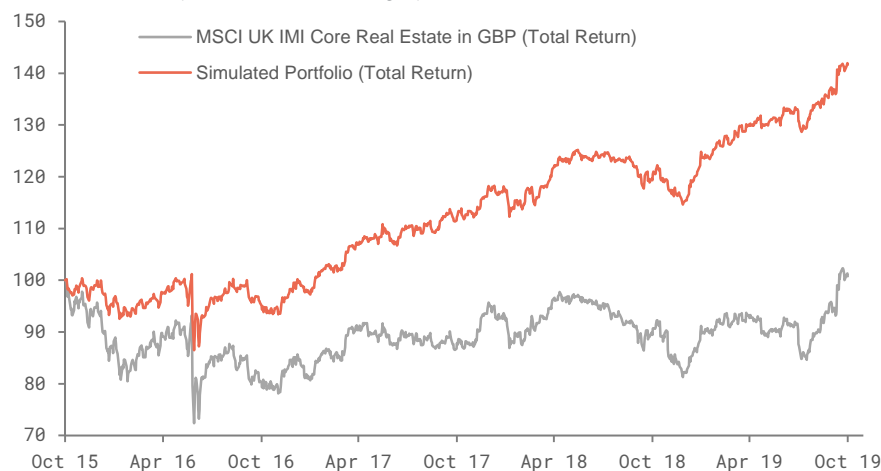
The VT Gravis UK Listed Property Fund (the "Fund") is a Non UCITs Retail Scheme (NURS) Open Ended Investment Company (OEIC) with Property Alternative Investment Fund (PAIF) status. The Fund invests primarily in UK Real Estate Investment Trusts and initially excludes exposure to retail property companies. The Fund is advised by Gravis Advisory Limited who also advise the VT Gravis UK Infrastructure Income Fund and the VT Gravis Clean Energy Income Fund.

FUND OBJECTIVES

- To achieve capital growth through market cycles*
- To invest in a diversified portfolio of London Stock Exchange listed securities, consisting primarily of Real Estate Investment Trusts and potentially some bonds and closed ended funds.
- Avoid exposure to retail property companies at launch
- Aims to deliver a regular income expected to be 4% per annum after charges.

PERFORMANCE CHART

Simulated Portfolio (Total Return after charges) 31/10/2015 – 31/10/2019



Hypothetical past performance is not necessarily indicative of future results. Simulated performance after charges

Company overview

Name	VT Gravis UK Listed Property Fund
Regulatory Status	FCA Authorised NURS OEIC with PAIF Status
Sector	IA Property Other
Launch Date	31 October 2019
Fund Size	£23.2m
Net Asset Value per share as at 31 December 2019	A Acc (£): 107.43p A Inc (£): 107.26p F Acc (£): 107.55p F Inc (£): 107.39p
Share Classes	Income and Accumulation (£, \$, €)
Min. Investment	£100
Capped fund operating charges	0.7% (AMC & OCF)
Dividends	Quarterly
Objectives	4% dividend yield Capital growth Inflation protection
Classification	Non-complex
Liquidity	Daily dealing
ISINs	A Acc (£): GB00BK8VW755 A Inc (£): GB00BK8VW532 A Acc (\$): GB00BK8VYN55 A Inc (\$): GB00BK8VMH57 A Acc (€): GB00BK8VW862 A Inc (€): GB00BK8VW649
Feeder ISINs	F Acc (£): GB00BKDZ8Y17 F Inc (£): GB00BKDZ8V85 F Acc (\$): GB00BKDZ9049 F Inc (\$): GB00BKDZ8X00 F Acc (€): GB00BKDZ8Z24 F Inc (€): GB00BKDZ8W92

RETURNS

	RETURN*	VOLATILITY	CORRELATION	RETURNS				
				2015 ¹	2016	2017	2018	2019 ²
Simulated Portfolio (Total Return)	41.65%	10.88%	-	-1.27%	0.81%	18.76%	-2.40%	22.78%
MSCI UK IMI Core Real Estate GBP (TR)	0.79%	17.66%	0.93	-6.03%	-9.42%	12.43%	-14.04%	22.52%

*Returns from 31/10/2015 – 31/10/2019

¹Part period from 31/10/2015 – 31/12/2015

²Part period from 01/01/2019 – 31/01/2019

*we expect this to be a period of 7 years

FUND ADVISER'S REPORT

December was an excellent month for the Fund, with one holding the target of a takeover bid.

Over the course of December, the NAV of the Fund increased to 107.4252p (A Acc), net of fees and expenses.

The strategy of the Fund is to invest in a diversified collection of real estate companies that are likely to benefit from strong socio-economic trends and that are operated by experts in property management and investment. In executing this strategy, the Fund seeks to maximise its exposure to four powerful mega trends: ageing population, digitisation, generation rent and urbanisation.

A key feature of the Fund is liquidity, offering investors daily access to some of the best quality property in the UK. Fund liquidity is underpinned by the liquidity of the investments held within it. These investments are listed real estate companies. The investible universe is broad and deep, with more than 100 quoted companies within the real estate sector of the London Stock Exchange (LSE). Of these, we consider around 45 to be potential investment opportunities, with a collective market capitalisation of more than £50bn and significant daily liquidity, with combined average trading volumes exceeding £80m per day.

A sign of the depth of liquidity provided by the LSE for real estate equities is new issuance. Over the past 5 years there has been on average £2.6bn of annual equity issuance. One source of new issuance is from management teams seeking to fund future growth strategies, either to acquire new assets or to undertake new developments. In December the Fund participated in two successful equity raises. Impact Healthcare REIT (IHR), the owner of care homes across the UK, issued new stock at 108p, a 1.8% discount to its pre-announcement price. IHR will use the placing proceeds to finance

acquisitions. GCP Student Living, a student accommodation REIT and member of the FTSE 250, issued £77m of new stock at 186p, a 6.3% discount to its undisturbed price, with the proceeds earmarked for purchasing pipeline assets. Not only were both offerings attractive, each one enabled the Fund to buy additional shares without incurring stamp duty or broker commissions.

Within the portfolio, Hansteen, a top ten fund position at the end of November, was the target of a management approved bid from Blackstone, one of the largest global investors in real estate. Hansteen owns industrial and logistics assets and sits firmly within our digitisation mega trend. While we would prefer to own these assets for the long-term Blackstone is proposing to pay an 11.7% premium to the last reported EPRA NAV per share. This premium can be viewed as strongly supporting the rationale for the Fund having significant exposure to several high quality companies across the industrials and logistics sub-sectors.

Looking ahead, with the continuing growth of specialist REITs and the appetite amongst investors for high quality real estate, managed by dedicated and focused experts, it is likely that the stock market will continue to provide liquidity for property companies and investors in 2020 and beyond.

Matthew Norris, CFA
 Fund Adviser
 Gravis Advisory Ltd
matthew.norris@graviscapital.com

REITS BRIEFING¹

- A UK Real Estate Investment Trust (REIT) is a London Stock Exchange listed closed ended publicly traded company that provides investors with tax efficient exposure to property assets.
- A REIT can invest in a wide variety of property.
- REIT Shares can be traded daily without the liquidity risk often experienced by open ended funds which own direct property.
- UK REIT status exempts the company from corporation tax on profits and gains from UK qualifying property rental businesses.
- A UK REIT must distribute at least 90% of its taxable income to investors. Distributions are treated as property rental income rather than dividends. Taxation of income from property is moved from the corporate level to the investor level, benefitting ISA, SIPP and Bond investors.

¹www.londonstockexchange.com/specialist-issuers/reits/reits.html

Investment Adviser

Gravis Advisory Limited is owned and managed by Gravis Capital Management Ltd ("Gravis").

Gravis was established in May 2008 as a specialist investor in property and infrastructure and now manages c.£3.2bn of assets in these sectors in the UK.

Gravis Advisory Limited is Investment Adviser to the c.£570m VT Gravis UK Infrastructure Income Fund, which is one of the only OEICs focusing on investment in the UK's infrastructure sector.

Fund Advisers

Matthew Norris, CFA is the lead adviser to the VT Gravis UK Listed Property Fund.

Matthew has more than two decades investment management experience and has a specialist focus on real estate securities.

He served as an Executive Director of Grosvenor Europe where he was responsible for global real estate securities strategies. He joined Grosvenor following roles managing equity funds at Fulcrum Asset Management and Buttonwood Capital Partners.

Matthew holds a BA (Hons) degree in Economics & Politics from the University of York, the Investment Management Certificate and is a CFA charterholder.

He also provides expert input to research projects run by EPRA, which focus on the importance of emergent real estate sectors.

Nick Barker is the strategic adviser to the fund. Nick is the lead manager of the c.£900m GCP Student Living REIT.

He is a qualified member of RICS and headed up the Alternative Property division at Schroders.

Nick joined Gravis in 2016 and has accumulated over 16 years of investment experience in the property sector.

Sales Contacts

Cameron Gardner 07835 142763
cameron.gardner@graviscapital.com

Ollie Matthews 07787 415151
ollie.matthews@graviscapital.com

Robin Shepherd 07971 836433
robin.shepherd@graviscapital.com

Nick Winder 07548 614184
nick.winder@graviscapital.com

William MacLeod 07836 695442
william.macleod@graviscapital.com

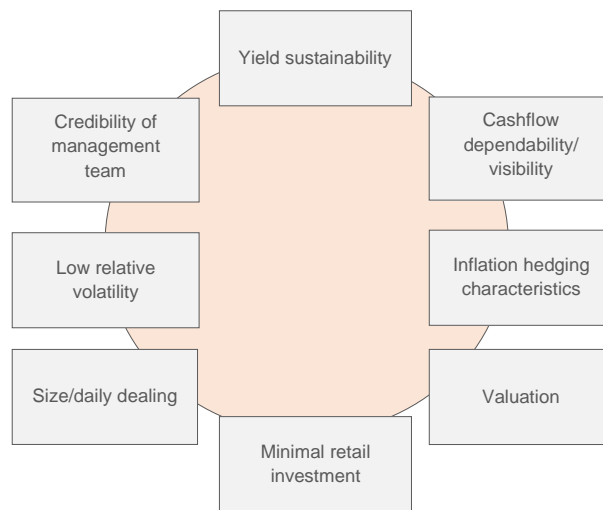
Dealing

Valu-Trac 01343 880344
Gulp@valu-trac.com

INVESTMENT APPROACH

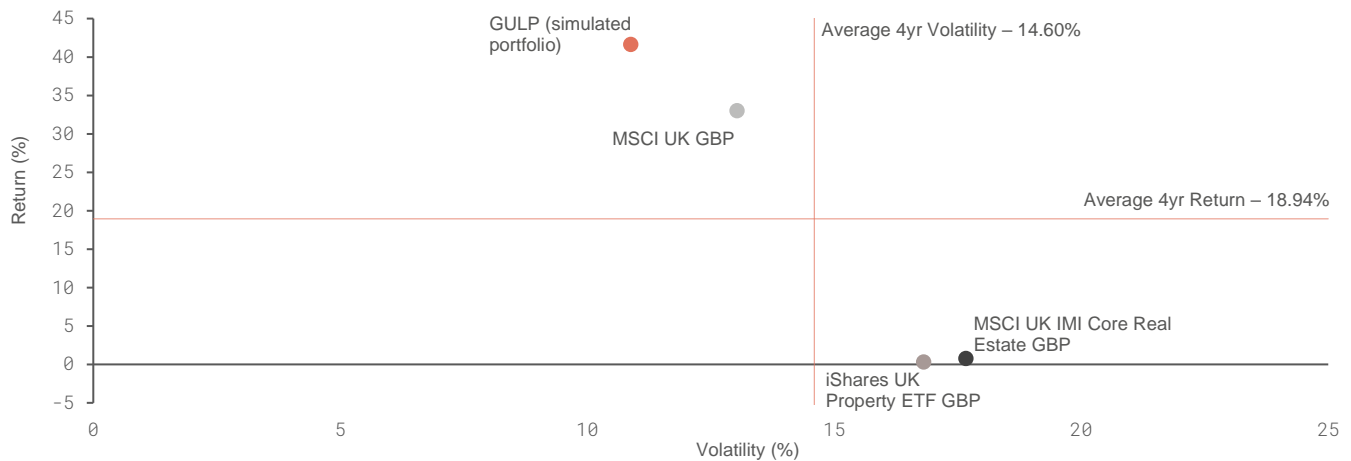
The Fund is exposed to a broad range of GBP denominated, LSE listed REITs and potentially bonds and other closed ended funds, with a focus on the stability and security of quarterly distributions. The portfolio is constructed to target diversified exposure to all UK REIT classifications, with the exception of retail.

Investments are selected for inclusion in the Fund based upon a number of key factors; the most significant are shown below. The Fund is actively managed with a view to maximising returns whilst keeping costs to a minimum. There is daily liquidity.



RISK & REWARD – 4 YEARS

Returns and volatility – 31/10/2015 – 31/10/2019



Simulated portfolio vs MSCI UK GBP vs MSCI UK IMI Core Real Estate GBP vs iShares UK Property ETF GBP
Hypothetical past performance is not necessarily indicative of future results. Simulated performance after charges

	4yr Total Return	4yr Volatility	12 Month Yield
Simulated Portfolio	41.65%	10.88%	3.73%
MSCI UK GBP	33.01%	13.03%	4.43%
iShares UK Property ETF GBP	0.31%	16.81%	3.02%
MSCI UK IMI Core Real Estate GBP	0.79%	17.66%	3.64%

GRAVIS

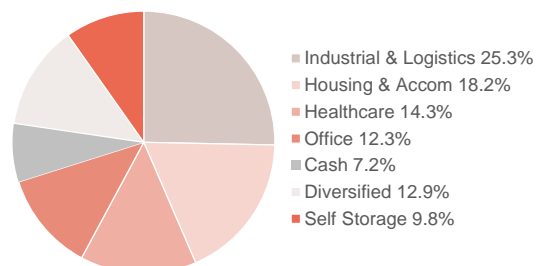
UK LISTED PROPERTY

CURRENT TOP 10 HOLDINGS

Company	Holding
Unite Group PLC	7.76%
Tritax Big Box REIT PLC	7.58%
SEGRO PLC	7.39%
Warehouse REIT PLC	5.25%
Hansteen Holdings PLC	5.12%
Big Yellow Group PLC	5.12%
Grainger PLC	5.03%
Secure Income REIT Plc	4.92%
Workspace Group PLC	4.91%
Assura PLC	4.90%

*as at 31 December 2019

Sector Breakdown



SAMPLE HOLDINGS



DISCLAIMER

WARNING: The information in this report is presented by Valu-Trac Investment Management Limited using all reasonable skill, care and diligence and has been obtained from or is based on third party sources believed to be reliable but is not guaranteed as to its accuracy, completeness or timeliness, nor is it a complete statement or summary of any securities, markets or developments referred to. The information within this report should not be regarded by recipients as a substitute for the exercise of their own judgement.

The information in this report has no regard to the specific investment objectives, financial situation or particular needs of any specific recipient and is published solely for informational purposes and is not to be construed as a solicitation or an offer to buy or sell any securities or related financial instruments. In the absence of detailed information about you, your circumstances or your investment portfolio, the information does not in any way constitute investment advice. If you have any doubt about any of the information presented, please consult your stockbroker, accountant, bank manager or other independent financial advisor.

Value of investments can fall as well as rise and you may not get back the amount you have invested. Income from an investment may fluctuate in money terms. If the investment involves exposure to a currency other than that in which acquisitions of the investments are invited, changes in the rates of exchange may cause the value of the investment to go up or down. Past performance is not necessarily a guide to future performance. Any opinions expressed in this report are subject to change without notice and Valu-Trac Investment Management Limited is not under any obligation to update or keep current the information contained herein. Sources for all tables and graphs herein are Valu-Trac Investment Management unless otherwise indicated.

The information provided is "as is" without any express or implied warranty of any kind including warranties of merchantability, non-infringement of intellectual property, or fitness for any purpose. Because some jurisdictions prohibit the exclusion or limitation of liability for consequential or incidental damages, the above limitation may not apply to you.

Users are therefore warned not to rely exclusively on the comments or conclusions within the report but to carry out their own due diligence before making their own decisions.

Unless otherwise stated Equity Market price indices used within this publication are sourced or derived from data supplied by MSCI Inc 2019.

Valu-Trac Investment Management Limited and its affiliated companies, employees of Valu-Trac Investment Management Limited and its affiliated companies, or individuals connected to them, may have or have had interests of long or short positions in, and may at any time make purchases and/or sales as principal or agent in, the relevant securities or related financial instruments discussed in this report. © 2019 Valu-Trac Investment Management Limited. Authorised and regulated by the Financial Conduct Authority (UK), registration number 145168. This status can be checked with the FCA on 0800 111 6768 or on the FCA website (UK). All rights reserved. No part of this report may be reproduced or distributed in any manner without the written permission of Valu-Trac Investment Management Limited. Valu-Trac™ is a registered trademark.