

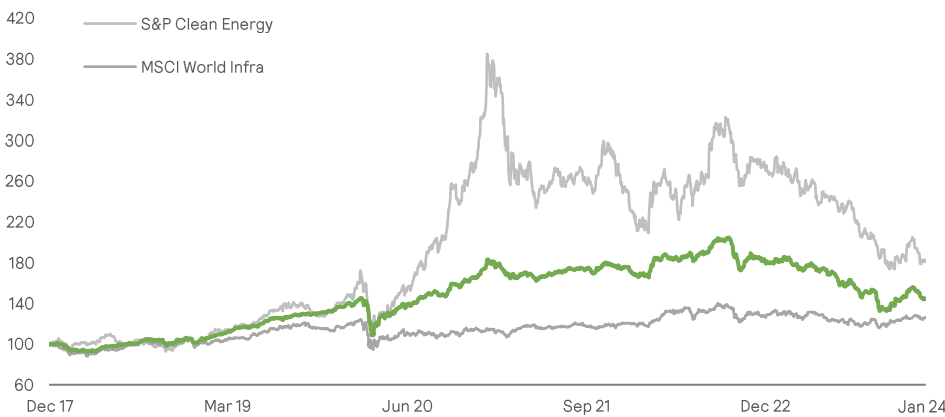
### FUND OBJECTIVES

- To deliver a regular income, expected to be 4.5%<sup>1</sup> per annum
- To preserve investor's capital throughout market cycles, with the potential for capital growth
- To invest in a diversified portfolio of global listed securities including Yield Co Equities, Investment Companies and Equities
- To offer exposure to companies engaged in the provision, storage, supply and consumption of clean energy

### PERFORMANCE CHART

VT Gravis Clean Energy Income Fund – C Acc GBP (Total return after charges)

18.12.2017 – 31.01.2024



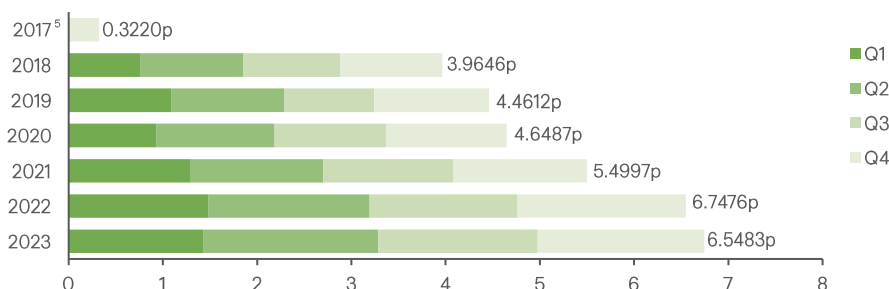
### RETURNS

	SINCE INCEPTION	5 YEAR	3 YEAR	12 MONTH	3 MONTH	1 MONTH	YTD	VOLATILITY
VT Gravis Clean Energy	43.67%	35.55%	-18.31%	-20.51%	6.96%	-7.71%	-7.71%	11.82%
MSCI World Infrastructure	25.80%	24.75%	13.71%	-3.44%	4.53%	-0.07%	-0.07%	14.90%
S&P Clean Energy	81.50%	65.01%	-47.06%	-33.51%	3.53%	-10.55%	-10.55%	26.79%

Past performance is not necessarily indicative of future results  
Fund launched on 18 December 2017  
Fund performance is illustrated by the C GBP Net Accumulation share class

### DIVIDENDS

Dividends paid since inception for C GBP Income share class.



### Fund overview

Name	VT Gravis Clean Energy Income Fund
Regulatory Status	FCA Authorised UK UCITS V OEIC
Sector	IA Infrastructure
Launch Date	18 December 2017
Fund Size	£366.79m
Number of holdings	33
Share Classes	Income & Accumulation Clean & Institutional (£,\$,€)
Min. Investment	C: £100
Net Asset Value per share	C Acc (£): 143.67p C Inc (£): 112.04p
Trailing 12-month net yield <sup>2</sup>	C Inc (£): 6.02
Annual Management Charge	I: 0.70% C: 0.80%
Capped Fund OCF <sup>3</sup>	I: 0.70% C: 0.80%
Synthetic OCF <sup>4</sup>	I: 1.22% C: 1.32%
Dividends Paid	End of Jan, Apr, Jul, Oct
Classification	Non-complex
Liquidity	Daily dealing
ISINs	C Acc (£): GB00BFN4H792 C Inc (£): GB00BFN4H461

1. This is an unofficial target and there is no guarantee it will be achieved. Per annum by reference to the launch price of £1.00 per unit, payable quarterly, one month in arrears.

2. Published dividends from 14/10/2020 are net of charges, which are taken from capital. Prior to 14/10/2020, charges were taken from income.

3. The OCF for all share classes is capped at the AMC and costs in excess of the OCF/AMC are paid by the Investment Adviser.

4. The 'Synthetic' Ongoing Charges Figure (Class I and C Acc) is calculated using the weighted average OCF of the Fund's underlying holdings, where published, combined with the Fund's own operating charges: the aggregated OCF figure for the 17 holdings in the portfolio that are published is 0.52%. The OCF of the Fund remains capped at the AMC.

5. Part period from 18.12.2017 – 31.12.2017

All data, source: Valu-Trac Investment Management, MSCI Inc and Reuters.



## FUND ADVISER'S REPORT

The Fund recorded a loss of 7.71% in January (C Accumulation GBP), giving back gains made in December, as the markets' view on the timing of anticipated rate cuts appeared too aggressive considering resilient economic data and general push back from central bank officials.

Although most portfolio companies lost value, a handful of companies were unchanged or recorded slightly positive returns for the period. These tended to be the smaller UK-listed CEICs, which already languish on subdued ratings, and which did not participate in the November/December rally. The most notable share price movements were in the Fund's pureplay battery storage solutions companies, Gresham House Energy Storage (GRID) and Harmony Energy (HEIT), where share price declines were 46.8% and 29.0%, respectively.

A sharp deterioration in revenues generated by battery assets towards the end of 2023, which compounded an already softer year, was surprising. It has resulted in the suspension of dividends at GRID and HEIT, where investment commitments and higher debt servicing costs have to be managed in the context of lower revenues. Companies have reported friction in accessing key revenue contracts, with National Grid choosing to "skip" batteries and instead utilising gas peaking assets despite the launch of its new Open Balancing Platform, which was meant to improve batteries' access. In addition, lower electricity price volatility impacted trading revenues and ancillary service revenues that were incredibly high in 2022 did not repeat in 2023 following greater saturation of the market.

Batteries are still a relatively early-stage technology with immature revenue models and, unlike the Fund's core exposures of renewable energy generators, do not benefit from the same degree of contracted revenues. Accordingly, the modest exposure to pure-play battery solutions providers within the portfolio reflects this greater revenue uncertainty and forms the major component of the Fund's sensitivity to "commercial revenues".

As trading assets, batteries are exposed to revenue volatility and the high, fixed dividend policies have been shown to be inappropriate. The Fund's focus on income accrual remains as keen as ever, but at this stage we can wait to assess the likelihood and magnitude of reinstated policies without overly impacting the Fund's income prospects for 2024.

It is worth noting that National Grid is mandated to transition GB's electricity system to a zero-carbon operation by 2025. The electricity system is undergoing transformation and batteries will play a vital role. We believe GRID and HEIT have been oversold, currently trading well below replacement costs, and we also note broader institutional appetite for the asset class – a recent example being KKR's acquisition of a ~£850m stake in UK battery storage developer Zenobé Energy in H2 2023.

Towards the end of January, the first Q4 NAV updates among UK-listed renewables were published by Greencoat UK Wind and Octopus Renewables Infrastructure. Q4 NAV movements were -1.1% at Greencoat and -0.9% at Octopus, with downward adjustments to power price forecasts and inflation expectations proving common headwinds. Discount

rates for UK assets appear to have been maintained, while Octopus increased in the discount rate applied to non-UK assets by 20bps. Greencoat UK Wind incorporated Renewable Energy Guarantees of Origin (REGO) certificates in the valuation for the first time, which provided a significant offsetting positive for NAV. REGOs are sold by generators to guarantee that electricity is from a 'green' source but have formed a relatively immaterial component of revenues, historically. Trading prices have sustained higher levels, however, to the extent that the company felt it appropriate to include them. In terms of dividends, Greencoat UK Wind reaffirmed its 2024 dividend target of 10p per share (representing a 14% increase vs. the original 2023 target, which was subsequently topped-up) while Octopus Renewables announced a 4% dividend growth target for 2024, in line with the 2023 UK CPI exit rate.

News of the sale of a large UK solar portfolio provided useful transactional evidence for asset valuations at Bluefield Solar, Foresight Solar and NextEnergy Solar. The 513.5 MW Toucan Energy solar portfolio was acquired by Schroders Greencoat for ~£700m, implying a value of ~£1.36m per MW. The Toucan portfolio represents approximately 3% of the UK's operating solar capacity and can be viewed as a reasonable proxy for the UK portfolios owned by the UK listed solar companies. The transaction has been seen as corroborating asset valuations for the listed companies, which hold their assets at £1.2m-£1.3m per MW.

US yield companies, NextEra Energy Partners and Brookfield Renewables Corp., published FY results. Encouragingly, results from the former were largely uneventful with the Q4 dividend increased by 8% year-on-year and in line with guidance. This is precisely what was required following a tumultuous 2023 during which the company recalibrated expectations around asset base additions and dividend growth. Brookfield Renewables delivered a record year "on almost all metrics" and the Q4 dividend cemented year-on-year distribution growth in excess of 5%. While this rate was towards the lower end of guidance, it reflects the Company's view around the relative attractiveness of deploying capital into near-term project and the deal pipeline instead.

**William Argent**  
Investment Adviser  
Gravis Advisory Ltd  
william.argent@graviscapital.com

### Investment Adviser

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

Gravis Capital Management was established in May 2008 as a specialist investor in infrastructure and real estate, and now manages c.£2bn of assets in these sectors in the UK. Gravis entered into a strategic partnership with ORIX Corporation in January 2021.

Gravis Advisory Ltd is also the Investment Adviser to the c.£600m VT Gravis UK Infrastructure Income Fund, the c.£95m VT Gravis UK Listed Property (PAIF) Fund and the c.£30m VT Gravis Digital Infrastructure Income Fund.

### Sales Contacts

Cameron Gardner 07835 142763  
cameron.gardner@graviscapital.com

Jason Anderson 020 3405 8527  
jason.anderson@graviscapital.com

Ollie Matthews 07787 415151  
ollie.matthews@graviscapital.com

Jonathan Feely 07894107075  
jonathan.feely@graviscapital.com

### Dealing

Valu-Trac 01343 880344  
cleanenergy@valu-trac.com  
Available on all major platforms

## CORRELATION, PERFORMANCE AND VOLATILITY COMPARISON

18.12.2017 – 31.01.2024

	CORRELATION	RETURN	VOLATILITY	YIELD*
VT Gravis Clean Energy Income C Acc	–	43.7%	11.8%	6.02%
MSCI World Infrastructure	0.66	25.8%	14.9%	4.33%
S&P Clean Energy	0.69	81.5%	26.8%	1.33%

Past performance is not necessarily indicative of future results

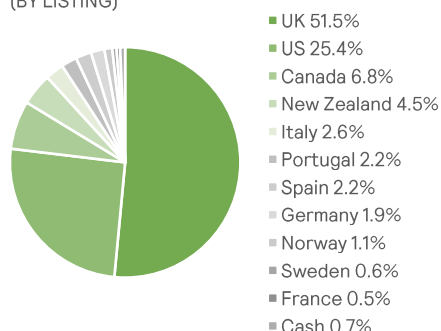
Fund launched 18 December 2017

\*12m trailing net yield, Fund C Inc GBP share class

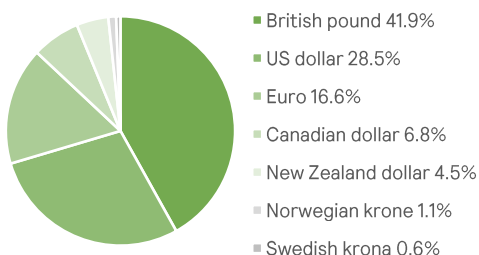
### TOP 10 HOLDINGS

COMPANY	WEIGHTING	SECURITY TYPE
Greencoat UK Wind PLC	8.73%	 <ul style="list-style-type: none"> <li>■ Closed End Investment Companies 51.5%</li> <li>■ Yield Co Equity 38.5%</li> <li>■ Equities 9.3%</li> <li>■ Cash 0.7%</li> </ul>
Renewables Infrastructure Group Ltd	7.92%	
Clearway Energy Inc	5.83%	
Atlantica Sustainable Infrastructure PLC	5.67%	
HASI Inc	4.91%	
Greencoat Renewables PLC	4.52%	
Brookfield Renewable Corp	4.49%	
Nextera Energy Partners LP	4.47%	
Meridian Energy Ltd	4.47%	
JLEN Environmental Assets Group Limited	3.99%	

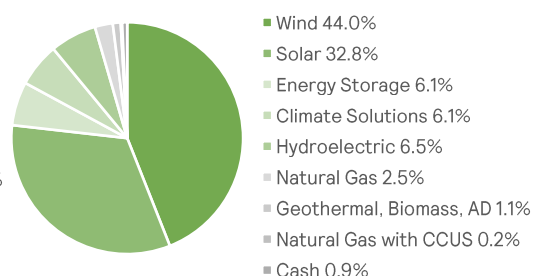
### GEOGRAPHIC BREAKDOWN (BY LISTING)



### CURRENCY EXPOSURE (BY LISTING)



### ENERGY SOURCE\*



\*Calculated based on installed capacity, Gravis Advisory Ltd research

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