GRAVIS UK INFRA

QUARTERLY FACTSHEET 31 MARCH 2023

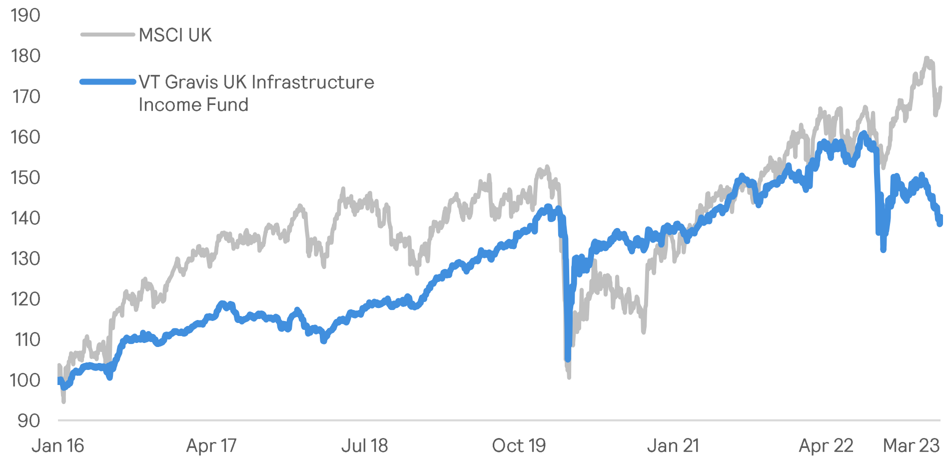
FUND OBJECTIVES

- To deliver a regular income expected to be 5%[1] per annum
- To preserve investors' capital throughout market cycles with the potential for capital growth and protection from inflation.
- To invest in GBP UK Listed Securities including Investment Companies, Equities, Bonds and REITs
- To offer exposure to a vital sector for the UK's economy which is increasingly becoming a key component of any well-balanced investment portfolio

PERFORMANCE CHART

VT Gravis UK Infrastructure Income Fund – C Acc GBP (Total Return after charges)

25/01/2016 – 31/03/2023



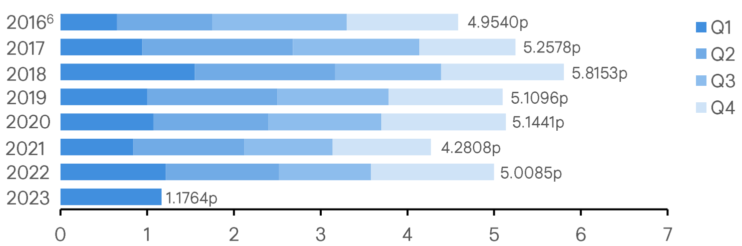
RETURNS

	1 MONTH	3 MONTHS	12 MONTHS	3 YEARS	5 YEARS	SINCE INCEPTION	YTD	YIELD[5]
VT Gravis UK Infrastructure	-3.62%	-4.10%	-9.76%	13.92%	27.03%	40.22%	-4.10%	4.95%
MSCI UK	-2.70%	3.23%	5.59%	50.90%	31.39%	72.05%	3.23%	3.69%

Past performance is not necessarily indicative of future results.
Fund launched on 25 January 2016.
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 UK Infrastructure Income Fund
Regulatory Status	FCA Authorised UK UCITS V OEIC
Sector	IA Infrastructure
Launch Date	25 January 2016
Fund Size	£787.13m
Number of Holdings	32
Share Classes	Income and Accumulation Clean & Institutional (£,$,€)
Min. Investment	C: £1,000
Net Asset Value per share	C Acc (£): 140.22p C Inc (£): 100.18p
Trailing 12 month net yield[2]	C Inc: 4.95%
Annual Management Charge	C: 0.75%
Capped fund OCF[3]	C: 0.75%
Synthetic OCF[4]	C: 1.65%
Dividends Paid	End of Jan, Apr, Jul, Oct
Classification	Non-complex
Liquidity	Daily dealing
ISINs	C Acc (£): GB00BYVB3M28 C Inc (£): GB00BYVB3J98

1. This is an unofficial target and there is no guarantee it will be achieved. Per annum by reference to launch price of £1.00 per unit, payable quarterly, one month in arrears.
2. Published dividends are net of charges which are taken from income. C Inc share class.
3. The OCF for all share classes is capped at the AMC and any costs in excess of the OCF/AMC will be paid by the Investment Adviser.
4. The 'Synthetic' Ongoing Charges Figure (OCF) is calculated using the weighted average OCF of the Fund's underlying holdings where these figures are published; the aggregated figure for the 22 of the 32 holdings in the portfolio is 0.87%. Whilst the requirement to publish the 'Synthetic' OCF is a new one as at 30th June 2022, this is not a new cash charge to investors and the OCF of the Fund remains capped at the AMC.
5. 12 month trailing net yield C Inc share class.
6. Part period from 25.01.16 – 31.03.16
All data, source: Valu-Trac Investment Management and MSCI Inc and Reuters.

ELITE RATED by FundCalibre.com

DYNAMIC PLANNER PROFILED 4

RSMR RATED FUND

Gravis

FUND ADVISER'S REPORT

Although the Fund's NAV tracked higher in January, building on the recovery observed in Q4 2022, the trend reversed sharply in February. The Bank of England increased the base rate by 0.5% as anticipated (this was followed by a further 0.25% hike in March), but with economic data showing the economy to be more resilient than expected and inflationary pressures remaining sticky, a more hawkish tone dominated sentiment and longer-dated yields spiked once again. This reflected a view that it would necessitate, and give greater scope for, even tighter monetary policy. There was no relief in March as the failure of Silicon Valley Bank and Credit Suisse caused panic in the global banking sector and triggered a brutal sell-off in global capital markets as investors pulled money from risk-assets. Although global events also caused interest rate expectations and yields to abate, the magnitude and persistency of the selling pressure hammered stock prices in the listed infrastructure sector – many captured in the basket trades of mid-cap index tracker funds, for example.

Index-tracker selling, direct selling, liquidity calls and forced sales – regardless of the source or motive – mean we now observe a very material disconnect between share prices in the UK listed infrastructure sector and fundamental asset valuations. This may be seen in the discounts to NAV at which companies held within the Fund currently trade. The discount, measured on both a straight average and a weighted average basis across the portfolio, has never been greater. Company Boards are alert to this and (undoubtedly cajoled by investors in some cases) several share buyback programmes have been announced (examples include Cordiant Digital Infrastructure, GCP Infrastructure Investments and SDCL Energy Efficiency) in an effort to not only contain discounts and instil confidence, but also deploy available cash in a NAV-accretive fashion and potentially at levels that imply a return profile significantly above that which may be achieved through incremental investments in a particular company's typical areas of focus.

The 'gap' may be closed through share prices firming, NAVs declining, or a combination of both. We believe a combination of both to be the most likely path, but skewed most significantly towards share price improvement rather than asset write-downs from here. Companies have adjusted discount rates to incorporate higher reference yields/interest rates – painfully so in the case of capitalisation rates relevant for some of the specialist REITs – and at this stage we do not anticipate the requirement for further increase. Although it must be conceded it remains a fluid situation, with share prices trading at deeply discounted ratings a great deal of pessimism looks to be priced in.

Cash flows generated by infrastructure assets and projects are resilient. Investors are paid well to wait for capital improvement - the trailing 12-month yield on the C Income GBP units is 4.95%, without considering the potential for significant dividend growth over the course of 2023. Based on company guidance, the portfolio's income growth credentials should become increasingly apparent as new dividend targets begin to feed through to income accruals. In many instances dividend uplifts driven by the influence of higher inflation outturn on company cash flows will be very meaningful: Greencoat UK Wind, Sequoia Economic Infrastructure, Smart Metering Systems, BBGI Global Infrastructure, Foresight Solar, The Renewables Infrastructure Group and JLEN Environmental Assets target 2023 dividend growth of 13.4%, 10%, 10%, 6%, 6%, 5% and 5%, respectively. Conversely, we see very few exposures where distributions may be reduced. The Fund was active during the period, recycling capital from positions of outperformance – notably National Grid Plc and Gresham House Energy Storage Fund – for deployment into attractive opportunities presented by the sell-off in bond markets and core social infrastructure. To this end, the portfolio initiated a new bond position: a senior five-year SSE issue of investment grade, offering a gross redemption yield >5% and flat yield >7% at the point of purchase. The position in International Public Partnerships was added to on weakness.

First quarter dividend announced

Income distributions for the first quarter of 2023, payable in April, amounted to 1.1764p per C Income GBP unit and 1.2039p per I Income GBP unit. The distributions are slightly lower when compared with Q1 2022, however this reflects portfolio evolution (the greatest influence resulting from the maturity of a water utility bond last year which resulted in the loss of a sizable Q1 coupon payment with proceeds reallocated to companies making distributions at a different stage of the calendar year) as well as timing differences of ex-dividend dates that will smooth out over the course of the year. The Adviser remains confident that the portfolio is well positioned to grow its full-year distribution on an annual basis.

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Investment Adviser

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

Gravis Capital Management was established in May 2008 as a specialist investor in property and infrastructure and now manages c.£3bn of assets in these sectors in the UK. Gravis entered into a strategic partnership with ORIX Corporation in January 2021.

Gravis Advisory Limited is also the Investment Adviser to the c.£578m VT Gravis Clean Energy Income Fund, the c.£70m VT Gravis UK Listed Property Fund and the c.£42m VT Gravis Digital Infrastructure Income Fund.

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Available on all major platforms

CORRELATION, PERFORMANCE AND VOLATILITY COMPARISON

25 January 2016 – 31 March 2023

	CORRELATION	RETURN	VOLATILITY	YIELD*
VT Gravis UK Infrastructure Income Fund (C Acc)	–	40.22%	9.66%	4.80%
MSCI UK	0.40	72.05%	16.60%	3.69%
MSCI World Infrastructure	0.19	68.53%	14.60%	3.47%
UK 10 Year Gilts	0.06	-17.83%	7.31%	3.48%

Past performance is not necessarily indicative of future results.
Fund launched on 25 January 2016.
**12 month trailing net yield C Inc share class.*

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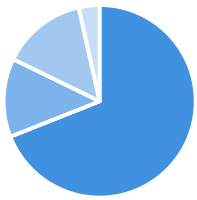
TOP 10 HOLDINGS

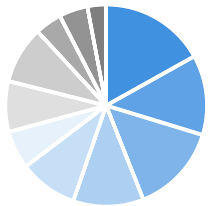
COMPANY	WEIGHTING
Greencoat UK WIND PLC	7.8%
Renewables Infrastructure Group Limited	7.3%
HICL Infrastructure Fund Limited	6.9%
Sequoia Economic Infrastructure Income Fund Ltd	6.6%
John Laing Environmental Assets Group Limited	5.3%
GCP Infrastructure Investments Ltd	4.7%
Bluefield Solar Income Fund Ltd	4.3%
National Grid PLC	4.2%
3i Infrastructure PLC	3.9%
Primary Health Properties PLC	3.7%

Security type



- Closed Ended Investment companies 69.0%
- Equities 13.2%
- REITs 14.3%
- Fixed Income & Cash 3.5%

Underlying Project Exposure



- Wind 16.9%
- Electricity & Water 12.8%
- Solar 14.3%
- Healthcare 11.3%
- Communications & Data 9.4%
- Other (incl. Cash) 6.1%
- PFI/PPP 8.1%
- Transport & Logistics 9.2%
- Housing & Accommodation 4.3%
- Renewable Energy (excl. Wind and Solar) 4.6%
- Energy Storage Solutions 3.0%

DISCRETE 5 YEAR PERFORMANCE

	2017	2018	2019	2020	2021	2022
VT Gravis UK Infrastructure Income Fund	4.22%	1.84%	19.35%	-3.36%	11.04%	-3.54%
MSCI UK	11.71%	-8.82%	16.37%	-13.23%	19.59%	7.15%
MSCI World Infrastructure	0.26%	0.57%	16.91%	-2.96%	7.29%	7.26%
UK 10 Year Gilts	-0.68%	-1.79%	2.83%	2.91%	-8.18%	-19.38%

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