

OVERVIEW

- Deliver a regular income expected to be 5%¹ per annum
- Preserve investors' capital throughout market cycles with the potential for capital growth and protection from inflation
- Invests in GBP UK Listed Securities including Investment Companies, Equities, Bonds and REITs
- Offers 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

Share Class C GBP Acc 25/01/2016 – 31/01/20



RETURNS

	JANUARY 2020	3 MONTHS	6 MONTHS	12 MONTHS	SINCE INCEPTION	VOLATILITY
VT Gravis UK Infrastructure Income Fund	-0.85%	2.94%	6.98%	13.96%	40.07%	4.71%
MSCI UK	-3.31%	1.01%	-2.43%	8.53%	44.94%	12.64%

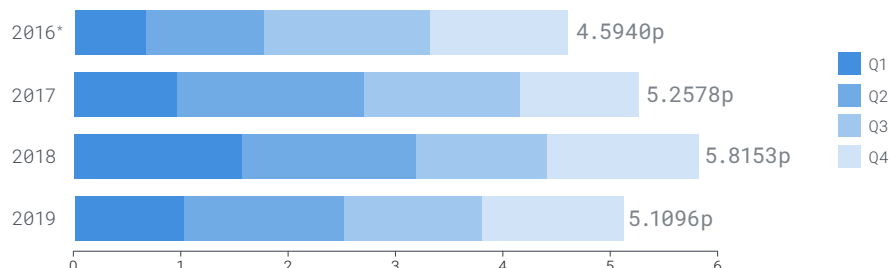
Past performance is not necessarily a guide to future performance.

Fund launched on 25 January 2016.

Fund performance is illustrated by the C GBP Net Accumulation share class.

DIVIDENDS

Dividends paid net of charges since inception to 31 January 2020 for C GBP Income share class.



Note: * Part period from launch on 25 January 2016.

Company overview

Regulatory status	FCA Authorised
Sector	IA Specialist
Launch date	25th January 2016
Fund size	£573.68m
Share classes	Income & Accumulation Clean & Institutional
Charges²	C: 0.75% pa I: 0.65% pa
Min. investment	C: £1,000 I: £5,000,000
Net Asset Value per share as at 31 January 2020	C Acc (£): 140.07p C Inc (£): 115.59p I Acc (£): 140.93p I Inc (£): 115.56p
Trailing 12 month net yield³ as at 31 January 2020	C: 4.42% I: 4.47%
Annual turnover to 31 January 2020	9.71%
Dividend ex dates	end of Dec, Mar, June, Sept
Dividend pay dates	end of Jan, Apr, July, Oct
Currencies	£, \$, €
Classification	Non-complex
£ ISINs	C Acc: GB00BYVB3M28 C Inc: GB00BYVB3J98 I Acc: GB00BYVB3T96 I Inc: GB00BYVB3Q65

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. The OCF (Ongoing Charges Figure) for all share classes is capped at the AMC (Annual Management Charge) and any costs in excess of the OCF/AMC will be paid by the Investment Adviser.
3. Published dividends are net of charges which are taken from income.



¹Independently risk-rated and assessed as Lowest Medium Risk

FUND ADVISER'S REPORT

Weakness in UK renewables companies sent the Fund's performance into negative territory

The Fund recorded a 0.85% decline in January (C Accumulation GBP) despite having spent much of the period tracking steadily higher. Weakness in UK renewables companies – a sector to which the Fund has a substantial weighting – sent the Fund's performance into negative territory.

The UK's listed renewables universe underwent a wave of selling pressure towards the end of the period as investors digested updated forecasts for UK baseload power prices from Bloomberg New Energy Finance. The forecasts, which anticipate a 4% p.a. real decline in power prices out to 2040, are predicated on the notion that increased renewables capacity on the grid will cannibalise the power price owing largely to the fact that renewable energy generation is very low cost and will increasingly become the marginal supplier of power. The BNEF forecasts contrast significantly with the expectations of the established energy consultancies, whose forecasts are used by the listed renewables sector to inform future cash flow expectations and ultimately, valuations. Over a similar timeframe, the established consultancies forecast modest positive real price growth.

A number of sell-side institutions published notes to highlight the BNEF forecasts and to quantify the negative impact such an outcome would have on the asset valuations of the listed renewables companies. Having performed strongly over the last year, and with prices not unreasonable but undeniably 'firm', the news appeared to provide the signal to take some money off the table that investors were looking for.

While the Adviser acknowledges recent downward pressures on power prices – a factor that will be prominent in company updates over coming weeks – we believe the long-term BNEF forecasts are overly aggressive and assume a level of renewables capacity growth that simply will not be developed if power prices do follow the kind of trajectory they predict. Other supply-side responses could include the introduction of more on-site battery storage to help smooth the deployment of power to the grid and therefore support and stabilise prices. On the demand side, the electrification of heating and transportation has the potential to significantly influence usage and therefore prices in future. In addition, the government is likely to intervene in any situation that jeopardizes the decarbonisation of the economy and the commitment to net-zero greenhouse emissions by 2050.

Renewable energy infrastructure will continue to represent a core weighting within the portfolio and some moderate price weakness will enable incremental additions at more attractive yields. In an environment where infrastructure yields have seen significant contraction, this is a welcome opportunity. Having already commented on the challenges in delivering the Fund's yield objective this year, it is worth noting that the Adviser identifies several companies that could potentially declare special dividends that would drive an improvement in our base case income assumptions. These companies range from core infrastructure investment companies to specialist lenders and water utilities.

Investment Adviser

Gravis Advisory Limited is a wholly owned subsidiary of Gravis Capital Management Ltd, a specialist investment advisory firm focused primarily on UK infrastructure ("GCM"). GCM manages c.£2.7bn, including the FTSE 250 company GCP Infrastructure Investments Limited, which has a market capitalisation of over £1bn. GCM is authorised and regulated by the FCA.

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Highlighting the need for disciplined analysis and understanding of the broad sector in which the Fund is invested, the Adviser notes recent impairments at SQN Asset Finance, which resulted in a 38% decline in the company's share price in January. Some investors may have been drawn to the high yield on offer despite clear and persistent problems within the loan book over a prolonged period. VT Gravis UK Infrastructure Income sold its holding in SQN (above par) in mid-2017 and has not had any exposure to the company since that time.

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CORRELATION, PERFORMANCE AND VOLATILITY COMPARISON

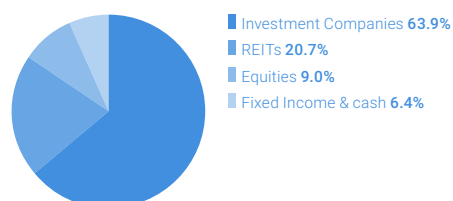
25 January 2016 – 31 January 2020

	CORRELATION	RETURN	VOLATILITY	YIELD
VT Gravis UK Infrastructure Income Fund (C GBP Acc)	—	40.1%	4.7%	4.3%
MSCI UK	0.36	44.9%	12.6%	4.6%
MSCI World	0.09	80.2%	12.6%	2.3%
MSCI World Infrastructure	0.04	55.3%	11.5%	3.9%
UK 10 Yr Gilts	-0.12	8.3%	6.0%	0.5%
MSCI World vs MSCI World Infrastructure	0.77			

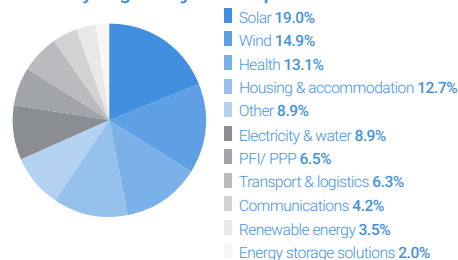
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PORTFOLIO

Sectors



Underlying Project Exposure



TOP 10 HOLDINGS ON 31 JANUARY 2020

COMPANY	%
GCP Infrastructure Investments Ltd	8.4%
Renewables Infrastructure Group Ltd	7.7%
GCP Asset Backed Income Fund Ltd	6.8%
Sequoia Economic Infrastructure Income Fund Ltd	6.3%
JLEN Environmental Assets Group Limited	6.0%
HICL Infrastructure Company Ltd	5.0%
Foresight Solar Fund Ltd	4.9%
Primary Health Properties PLC	4.6%
NextEnergy Solar Fund Ltd	4.5%
Bluefield Solar Income Fund Ltd	4.4%

Available on the following platforms

7IM	Moventum
Aegon	Novia
AJ Bell	Nucleus
ALEX	Old Mutual (Skandia)
Allfunds	OM Wealth
Alliance Trust	Parmenion
Amber	Pershing
Ascentric	Prudential*
Aviva	Raymond James
Axa Elevate	SEB International
Canada Life (Dublin)*	Life (Dublin)*
Cofunds	SEI
FNZ	Standard Life
Fidelity FundsNetwork	Stocktrade
Fusion	Transact
Hargreaves Lansdown	True Potential
James Brearley	Zurich
James Hay	*Offshore Bond wrappers

Suitable for:

Direct investors	Offshore bonds
SIPPs	Companies
ISAs	QROPS
Charities	

DRAWDOWNS

	DRAWDOWN	START	END	FUND DURING DRAWDOWN
Fund	-7.91%	25 May 17	26 Mar 18	—
MSCI UK	-14.30%	22 May 18	27 Dec 18	2.74%
MSCI World	-15.90%	28 Aug 18	24 Dec 18	-0.65%
MSCI World Infrastructure	-15.19%	23 Aug 17	26 Mar 18	-5.55%

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