

# GRAVIS

## UK LISTED PROPERTY

MONTHLY FACTSHEET  
31 JANUARY 2024

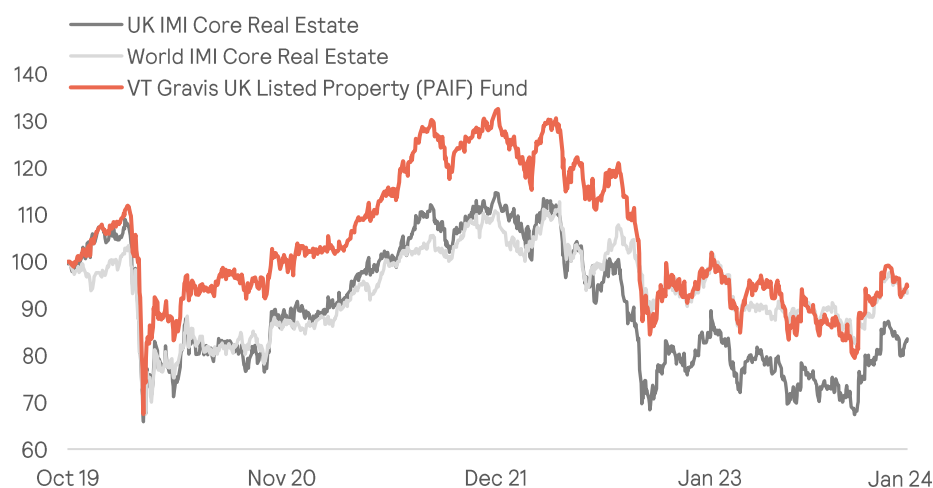
1

### FUND OBJECTIVES

- To achieve capital growth through market cycles (we expect this to be a period of 7 years)
- To invest in a diversified portfolio of London Stock Exchange listed securities, consisting primarily of Real Estate Investment Trusts
- Avoids exposure to retail property companies
- To deliver a income expected to be 4% per annum<sup>1</sup>

### PERFORMANCE CHART

VT Gravis UK Listed Property (PAIF) Fund – A Acc GBP (Total return after charges)  
31.10.2019 – 31.01.2024



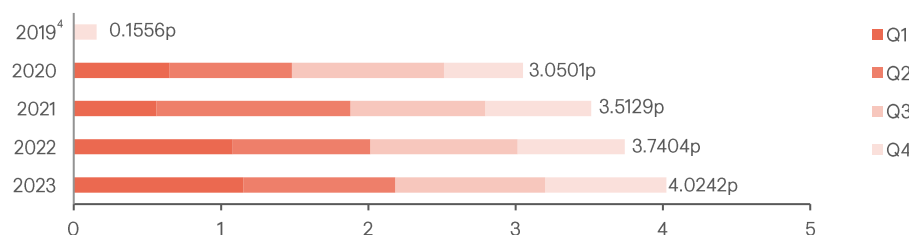
### RETURNS

	SINCE INCEPTION	3 YEAR	12 MONTH	3 MONTH	1 MONTH	YTD	VOLATILITY
VT Gravis UK Listed Property	-5.25%	-6.80%	-3.81%	15.29%	-4.21%	-4.21%	23.22%
MSCI UK IMI Core Real Estate	-16.47%	-4.85%	-0.29%	20.49%	-2.97%	-2.97%	25.71%
MSCI World IMI Core Real Estate	-6.81%	8.75%	-5.62%	11.14%	-3.77%	-3.77%	19.49%

Past performance is not necessarily indicative of future results  
Fund launched on 31 October 2019  
Fund performance is illustrated by the A GBP Net Accumulation share class

### DIVIDENDS

Dividends<sup>5</sup> paid since inception for A GBP Income share class.



### Fund overview

Name	VT Gravis UK Listed Property (PAIF) Fund
Regulatory Status	FCA Authorised UK NURS OEIC with PAIF Status
Sector	IA Property Other
Launch Date	31 October 2019
Fund Size	£97.63m
Number of holdings	22
Share Classes	Income and Accumulation (£,\$,€)
Min. Investment	A: £100 F: £100
Net Asset Value per share	A Acc (£): 94.75p A Inc (£): 81.18p
Trailing 12-month net yield	A Inc (£): 4.96%
Annual Management Charge	0.70%
Capped fund OCF <sup>2</sup>	0.70%
Synthetic OCF <sup>3</sup>	1.19%
Dividends Paid	End of Jan, Apr, Jul, Oct
Classification	Non-complex
Liquidity	Daily dealing
ISINs	A Acc (£): GB00BK8VW755 A Inc (£): GB00BK8VW532
Feeder ISINs	F Acc (£): GB00BKDZ8Y17 F Inc (£): GB00BKDZ8V85

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. OCF for all share classes is capped at the AMC, any costs in excess of the OCF/AMC will be paid by the Investment Adviser.

3. 'Synthetic' OCF (Class A 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 figure for the 10 holdings in the portfolio that are published is 0.49%. The OCF of the Fund remains capped at the AMC.

4. Part period from 31.10.2019 – 30.11.2019.

5. As of 30.06.2021, the Fund's financial year was changed to align with calendar quarters, resulting in a change to distribution dates. Subsequently 5 distributions were actually made in 2021 (of which 2 were in the second quarter period). Ex-dividend dates are now Dec, Mar, Jun and Sept

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



## FUND ADVISER'S REPORT

**"The Fund's portfolio of next generation real estate assets is supported by favourable long term demographic trends."**

Over the course of January 2024, the NAV of the Fund decreased by 4.21% (A Acc GBP). Since its launch, the Fund has decreased by 5.25% (A Acc GBP), but has still significantly outperformed the UK Real Estate Index<sup>1</sup> which decreased by 16.47% in the same period, and is slightly ahead of the Global Real Estate Index<sup>2</sup> which decreased by 6.81%.

The strategy of the Fund is to invest in a diversified portfolio of thematic real assets. The Fund's 22 investments are set to benefit from four socio-economic mega trends: ageing population (15.9% portfolio weight), digitalisation (45.7% portfolio weight), generation rent (26.7% portfolio weight), and urbanisation (8.6% portfolio weight).

Within each mega trend, the Investment Adviser undertakes fundamental research to identify the most attractive investment opportunities. Combining top-down analysis of socio-economic mega trends with bottom-up fundamental research has yielded good results for the Fund.

Although inflationary pressures have decreased and continue to run well below the levels reported this time last year, inflation edged slightly higher in the UK with CPI increasing by 0.1% to 4% in January. At the end of the month, the Bank of England held interest rates unchanged highlighting that while there are positive economic indicators it is premature to discuss rate cuts, with more evidence required before rates can be lowered. This has caused market enthusiasm to stagnate, with a reduced risk appetite and lower expected returns in the near term, reflected in UK REITS finishing the month at a 24.4% discount to the last reported NAV, compared to a 21.7% discount at the end of December<sup>3</sup>. However, some market participants have predicted inflation will level off around the 4% mark and the Bank of England expects inflation to fall further to around 2.75% by the end of this year bringing some optimism back to the market.

Urbanisation was the weakest performing mega trend during the month falling 7.7%, followed by aging population, digitalisation and generation rent which decreased by 5.8%, 3.5% and 2.4% respectively<sup>4</sup>.

The weaker performance of the urbanisation mega trend was due to several companies announcing slightly subdued trading updates. Workspace Group (portfolio holding 2.87%), owner and manager of business space in London and the Southeast, was one of the weaker performers falling 6.5% during the month<sup>4</sup>. In part, this resulted from the company announcing a 1.0% like-for-like rent growth and 1.7% like-for-like rates increase in the quarter ending 31 December 2023 with like-for-like occupancy broadly stable at 88.2%.

The top performer in January was LondonMetric (portfolio holding 5.67%), an owner and operator of logistics assets and part of the digitalisation mega trend, rising 1.15%<sup>4</sup>. The strong performance resulted from the agreement of terms for LondonMetric to acquire LXI, the owner of a diversified of UK commercial property assets let on long-term,

inflation-linked leases, albeit subject to shareholder approval. The consideration represents a premium of 9.1% to LXI's undisturbed share price with targeted completion in March 2024. LondonMetric has a strong track record in executing deals and is on track for a ninth consecutive year of dividend progression.

Within the generation rent mega trend, several portfolio companies published strong trading updates during the month. PRS REIT (portfolio holding 5.55%), investor in high-quality, new build, family homes in the private rented sector, emphasised its strong occupancy which stood at 97% with 5,087 of the 5,264 completed homes occupied at 31 December 2023. This, combined with compelling like-for-like rental growth of 11% for the year to 31 December 2023 against 6% in the prior year, still resulted in a fall of just 2.3% over the month<sup>4</sup>.

In keeping with the generation rent mega trend, Unite Group (portfolio holding 8.20%), owner and operator of 70,000 purpose-built student beds across the UK, decreased 2.6% over January after announcing it has sold 71% of beds for the academic year 2024/25, ahead of the 70% at the same point last year and it highlighted property valuations are broadly stable. The Group is confident it can achieve at least 5% rental growth for 2024/25 and maintained its earnings per share guidance at the upper end of its range of 43-44p. This performance is supported by a strong pipeline with four development schemes expected to add 2000 beds to be delivered between 2024 and 2026.

As we move further in to 2024, the Fund is set to benefit from falling inflation, a more optimistic interest rate environment and is supported by favourable long term demographic trends. The portfolio of expertly managed, next generation real estate assets, benefits from the attractive combination of growing rents and sustained high occupancy levels and offers forward thinking investors growth income as opposed to fixed income.

**Matthew Norris, CFA**  
Investment Adviser  
Gravis Advisory Ltd  
matthew.norris@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 property and infrastructure 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.£650m VT Gravis UK Infrastructure Income Fund, the c.£400m VT Gravis Clean Energy Income Fund and the c.£30m VT Gravis Digital Infrastructure Income Fund.

### Fund Adviser

**Matthew Norris, CFA** is lead adviser to the VT Gravis UK Listed Property Fund and the VT Gravis Digital Infrastructure Income Fund. Matthew has over two decades investment management experience and has a specialist focus on real estate securities. He was previously at Grosvenor with responsibility for investing in global real estate securities including the highly successful global logistics strategy. He joined Grosvenor from Fulcrum Asset Management and Buttonwood Capital Partners where he ran international equity strategies which incorporated exposure to real estate equities.

### Sales Contacts

Cameron Gardner 07835 142763  
cameron.gardner@graviscapital.com

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

Jonathan Feely 07894 107075  
jonathan.feely@graviscapital.com

Ollie Matthews 07787 415151  
ollie.matthews@graviscapital.com

### Dealing

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

<sup>1</sup> MSCI UK IMI Core Real Estate Net Total Return GBP.

<sup>2</sup> MSCI World IMI Core Real Estate IMI GBP.

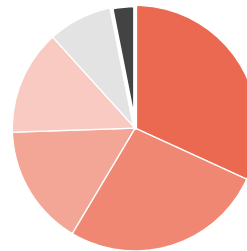
<sup>3</sup> Net asset value of an investment fund's assets. European Real Estate Association Net Asset Value Monthly Bulletin, January 2023.

<sup>4</sup> Defined as the calendar month, as opposed to the valuation month.

## TOP 10 HOLDINGS

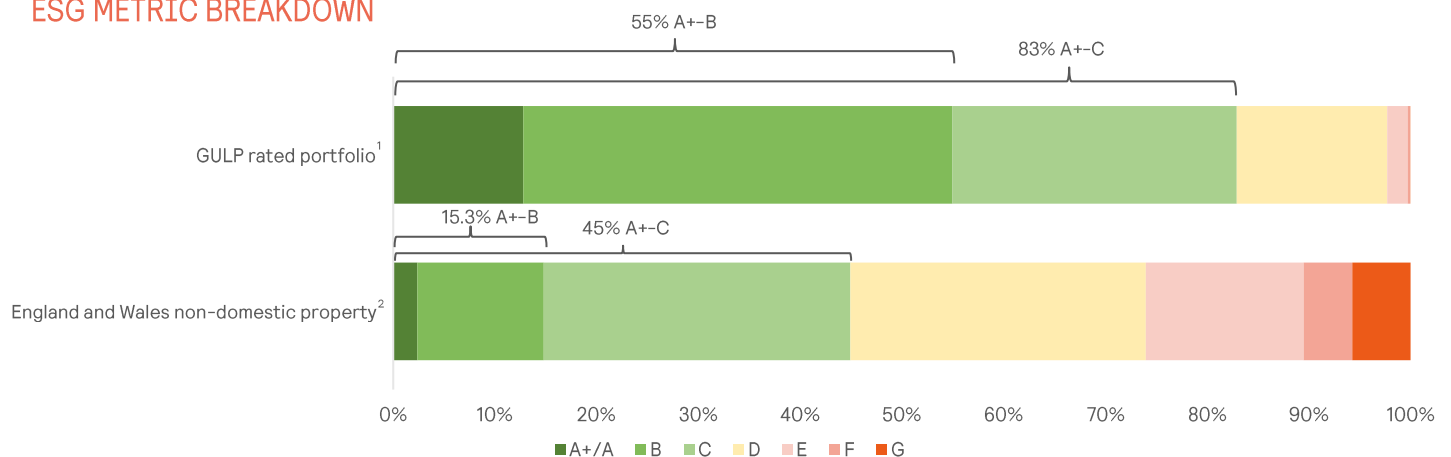
COMPANY	WEIGHTING
Unite Group PLC	8.20%
Tritax Big Box REIT PLC	8.05%
SEGRO PLC	7.95%
Grainger PLC	7.67%
Londonmetric Property PLC	5.67%
PRS Reit PLC	5.55%
Big Yellow Group PLC	5.18%
Impact Healthcare REIT PLC	5.01%
Urban Logistics Reit PLC	4.99%
Assura PLC	4.68%

## SECTOR BREAKDOWN



- Industrial & Logistics 31.8%
- Housing & Accom 26.7%
- Healthcare 15.9%
- Self storage 13.8%
- Office 8.6%
- Diversified 0%
- Cash 3.1%

## ESG METRIC BREAKDOWN



<sup>1</sup>Gravis Advisory Ltd analysis, based on current portfolio holdings with EPC ratings. 2023 uses latest available data for the portfolio holdings. <sup>2</sup>Energy Performance Certificates for Buildings Register for England and Wales – Department for Levelling Up, Housing & Communities, data to 31 December 2023.

## 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 2024.

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.

© 2024 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.