

VT GRAVIS REAL ASSETS ICVC
(Sub-fund VT Gravis UK Listed Property (PAIF) Fund)

Annual Report and Financial Statements
For the Year Ended 31 December 2022

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COMPANY OVERVIEW

Type of Company

VT Gravis Real Assets ICVC (the "Company") is an investment company with variable capital incorporated in England and Wales under the OEIC Regulations with registered number IC016070 and authorised by the Financial Conduct Authority (PRN:913626) pursuant to an authorisation order dated 17 September 2019. The Company has an unlimited duration. The company has one Sub-fund - VT Gravis UK Listed Property (PAIF) Fund.

The Company is a non-UCITS retail scheme and is an umbrella company (as defined in the OEIC Regulations). Each Sub-fund would be a non-UCITS retail scheme if it had a separate authorisation order. The Company has Property Authorised Investment Fund (PAIF) status as defined in Part 4A of the Tax Regulations and the Glossary to the FCA Handbook.

Shareholders are not liable for the debts of the Company.

A shareholder is not liable to make any further payment to the Company after they have paid the price on purchase of the shares.

STATEMENT OF THE AUTHORISED CORPORATE DIRECTOR'S (ACD'S) RESPONSIBILITIES

The rules of the Financial Conduct Authority's Collective Investment Schemes Sourcebook require the Authorised Corporate Director to prepare financial statements for each accounting year which give a true and fair view of the financial position of the Company at the end of the financial year and its net revenue and net capital losses for the year. In preparing these financial statements the Authorised Corporate Director is required to:

- > comply with the Prospectus, the Statement of Recommended Practice for Authorised Funds issued by the Investment Association in May 2014, the Instrument of Incorporation, generally accepted accounting principles and applicable accounting standards, subject to any material departures which are required to be disclosed and explained in the financial statements;
- > select suitable accounting policies and then apply them consistently;
- > make judgements and estimates that are reasonable and prudent;
- > prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in operation for the foreseeable future;

The Authorised Corporate Director is required to keep proper accounting records and to manage the Company in accordance with the COLL Sourcebook, Investment Funds Sourcebook (FUND), the Instrument of Incorporation, and the Prospectus. The Authorised Corporate Director is responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DIRECTOR'S STATEMENT

In accordance with the requirements of the Financial Conduct Authority's Collective Investment Scheme's Sourcebook and FUND, we hereby certify the annual report.


David Fraser FCCA

David E. Smith CA

Valu-Trac Investment Management Limited
Authorised Corporate Director

Date

28 April 2023

STATEMENT OF THE DEPOSITARY'S RESPONSIBILITIES AND REPORT OF THE DEPOSITARY TO THE SHAREHOLDERS OF VT GRAVIS REAL ASSETS ICVC

For the Year Ended 31 December 2022

The Depositary must ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Investment Funds Sourcebook, the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228) (the OEIC Regulations), as amended, the Financial Services and Markets Act 2000, as amended, (together "the Regulations"), the Company's Instrument of Incorporation and Prospectus (together "the Scheme documents") as detailed below.

The Depositary must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Company and its investors.

The Depositary is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Company in accordance with the Regulations.

The Depositary must ensure that:

- > the Company's cash flows are properly monitored and that cash of the Company is booked into the cash accounts in accordance with the Regulations;
- > the sale, issue, redemption and cancellation of shares are carried out in accordance with the Regulations;
- > the value of shares in the Company is calculated in accordance with the Regulations;
- > any consideration relating to transactions in the Company's assets is remitted to the Company within the usual time limits;
- > the Company's income is applied in accordance with the Regulations; and
- > the instructions of the Alternative Investment Fund Manager ("the AIFM") are carried out (unless they conflict with the Regulations).

The Depositary also has a duty to take reasonable care to ensure that the Company is managed in accordance with the Regulations and the Scheme documents in relation to the investment and borrowing powers applicable to the Company.

Having carried out such procedures as we consider necessary to discharge our responsibilities as Depositary of the Company, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Company, acting through the AIFM:

- i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and application of the Company's income in accordance with the Regulations and the Scheme documents of the Company, and
- ii) has observed the Investment and borrowing powers and restrictions applicable to the Company.

NatWest Trustee and Depositary Services Limited
01 January 2023

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF VT GRAVIS REAL ASSETS ICVC (SUB-FUND VT GRAVIS UK LISTED PROPERTY (PAIF) FUND)

Opinion

2022 which comprise the Statement of Total Return, Statement of Changes in Net Assets Attributable to Shareholders, Balance Sheet, the related Notes to the Financial Statements, including significant accounting policies and the Distribution Tables. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Generally Accepted Accounting Practice including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- > give a true and fair view of the financial position of the Company at 31 December 2022 and of the net revenue and the net capital losses on the scheme property of the Company for the year then ended; and
- > have been properly prepared in accordance with the IA Statement of Recommended Practice for Authorised Funds, the rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority and the Instrument of Incorporation.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are described further in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions Relating to Going Concern

In auditing the financial statements, we have concluded that the Authorised Corporate Director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Authorised Corporate Director with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Authorised Corporate Director is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on Other Matters Prescribed by the COLL Regulations

In our opinion, based on the work undertaken in the course of the audit:

- > Proper accounting records for the Company have been kept and the accounts are in agreement with those records;
 - > We have received all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit; and
- statements.

Responsibilities of the Authorised Corporate Director

As explained more fully in the Authorised Corporate Director's Responsibilities Statement set out on page 2, the Authorised Corporate Director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and for such internal control as the Authorised Corporate Director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Authorised Corporate Director is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Authorised Corporate Director either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit is considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud, is detailed below.

We assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations by considering their experience, past performance and support available.

All engagement team members were briefed on relevant identified laws and regulations and potential fraud risks at the planning stage of the audit. Engagement team members were reminded to remain alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The most relevant frameworks we identified include:

- > UK Generally Accepted Accounting Practice including Financial Reporting Standard 102 and the IA Statement of Recommended Practice for Authorised Funds
- > the Financial Conduct Authority's Collective Investment Schemes Sourcebook
- > the Financial Conduct Authority's Investment Funds Sourcebook
- > the Company's Prospectus

We gained an understanding of how the Company is complying with these laws and regulations by making enquiries of the Authorised Corporate Director. We corroborated these enquiries through our review of any relevant correspondence with regulatory bodies and the Company's breaches register.

We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur, by meeting with management to understand where it was considered there was susceptibility to fraud. This evaluation also considered how the Authorised Corporate Director was remunerated and whether this provided an incentive for fraudulent activity. We considered the overall control environment and how the Authorised Corporate Director oversees the implementation and operation of controls. In areas of the financial statements where the risks were considered to be higher, we performed procedures to address each identified risk.

The following procedures were performed to provide reasonable assurance that the financial statements were free of material fraud or error:

- > Performing audit work procedures over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business, review of a pre sign-off Net Asset Valuation (NAV) statement for any unexpected activity and reviewing judgements made by the Authorised Corporate Director in its calculation of accounting estimates for potential management bias; and
- > Assessing the Company's compliance with the key requirements of the Collective Investment Schemes Sourcebook, Investment Funds Sourcebook and its Prospectus.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

Extent to which the audit is considered capable of detecting irregularities, including fraud (continued)

Our audit procedures were designed to respond to the risk of material misstatements in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve intentional concealment, forgery, collusion, omission or misrepresentation. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

<https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

Use of Our Report

This report is made solely to the Company's shareholders, as a body, in accordance with Rule 4.5.12 of the Collective Investment Schemes sourcebook ("the COLL Rules") issued by the Financial Conduct Authority under the Open-Ended Investment Companies Regulations 2001. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Johnston Carmichael LLP
Chartered Accountants
Statutory Auditor
Elgin

Date 28 April 2023

SUB-FUND OVERVIEW

Name of Sub-fund	VT Gravis UK Listed Property (PAIF) Fund
Size of Sub-fund	£69,994,358
Launch date	31 October 2019
Sub-fund objective and policy	<p>It is intended that the Sub-fund will be a PAIF at all times, and, as such, its investment objective is to carry on Property Investment Business and to manage cash raised from investors for investment in the Property Investment Business. In so doing the objective of the Sub-fund is to provide some capital growth through market cycles (7 years) whilst delivering a periodic income.</p> <p>The Sub-fund seeks to achieve its objective primarily (70% +) by investing in a diversified portfolio of transferable real estate securities such as real estate investment trusts ("REITs") listed on the London Stock Exchange, real estate operating companies ("REOCs"), bonds and equities. The Sub-fund seeks to minimise exposure to the retail property sector.</p> <p>In addition to investing in REITs and REOCs the Sub-fund may also invest in other transferable securities (including convertible securities and rated and unrated debt securities of real estate companies), bonds, collective investment schemes, transferable securities, money market instruments, deposits, cash and near cash.</p> <p>Save as noted above, there is no particular emphasis on any geographical area or industry or economic sector.</p>
Derivatives	The Sub-fund may hold derivatives only for efficient portfolio management purposes. It is not intended that the use of derivatives for efficient portfolio management purposes will increase the risk profile of the Sub-fund.
Benchmark	The Sub-fund does not have a specific benchmark. The performance of the Sub-fund can be measured by considering whether the objective is achieved (i.e. whether a periodic income is provided and there is any capital growth over a market cycle of 7 years).
Authorised Corporate Director (ACD)	Valu-Trac Investment Management Limited.
Ex-distribution dates	31 March, 30 June, 30 September, 31 December
Distribution dates	30 April, 31 July, 31 October, 31 January
Individual Savings Account (ISA)	The Company is a qualifying investment for inclusion in an ISA.
Share classes:	<p>A (£), A (€) (Hedged), A (\$) (Hedged) – Net Income A (£), A (€) (Hedged), A (\$) (Hedged) – Net Accumulation F (£), F (€) (Hedged), F (\$) (Hedged) – Net Income F (£), F (€) (Hedged), F (\$) (Hedged) – Net Accumulation B (£) – Net Income, B (£) – Net Accumulation</p> <p>Class F shares are only available to the Feeder Fund or at the ACD's discretion.</p>

SUB-FUND OVERVIEW (continued)

Minimum investment

Lump sum subscription: Class A = £100
 Class F = Nil
 Class B = £10,000,000

Top-up: Class A = £100
 Class F = Nil
 Class B = £10,000

Holding: Class A = £100
 Class F = Nil
 Class B = £10,000,000

Redemption and switching: N/A (provided minimum holding is maintained)

Investment minima may be waived at the discretion of the ACD.

Initial charges Class A: 4% Class F: 0% Class B: 4%

The initial charge may be waived at the discretion of the ACD.

Redemption and switching charges Nil

Annual management charges

The annual management charge is as follows:

In respect of the Class A shares, it is equal to 0.70% per annum of the net asset value of the Class A shares.

In respect of the Class F shares it is equal to 0.00% per annum of the net asset value of the Class F shares.

In respect of the Class B shares it is equal to 0.65% per annum of the net asset value of the Class B shares.

The Investment Adviser has, with the agreement of the ACD, undertaken that if the total ongoing charges figure (OCF) of the Sub-fund e(as calculated at the end of the relevant accounting period but excluding underlying fund holding charges) exceeds 0.70% in the case of Class A shares, 0.00% in the case of Class F shares and 0.65% in the case of Class B shares, the Investment Adviser shall reimburse the Sub-fund for an amount which, when deducted from the operating costs incurred by the Sub-fund during the relevant accounting period, would result in the Sub-fund having a total OCF equal to the stated annual management charge for each class in the relevant accounting period.

INVESTMENT ADVISER'S REVIEW

This report is a review of the performance of the VT Gravis UK Listed Property (PAIF) Fund (the "Fund") during the twelve months ending 31st December 2022.

The performance objectives of the Fund are:

to provide some capital growth through market cycles (7 years) whilst delivering a periodic income.

The Fund seeks to achieve its objective primarily by investing in a portfolio of transferable real estate securities such as real estate investment trusts (REITs) listed on the London Stock Exchange, real estate operating companies, bonds and other equities. The Fund diversifies its investments across a range of specialist real estate companies that are likely to benefit from four strong socio-economic mega trends: digitalisation (48.7% portfolio weight), generation rent (23.3% portfolio weight), ageing population (16.9% portfolio weight) and urbanisation (9.6% portfolio weight). At the same time the portfolio continues to minimise exposure to the challenging consumer trends affecting retail real estate, especially shopping centres.

The A Accumulation Class shares were priced at 93.6324p on 30th December 2022, which represents a negative total return of 29.17% over the period. The Fund performance compares favourably to the UK real estate index¹ which declined by 32.09% over the same period.

REIT prices suffered during 2022, thanks to the wider challenges faced by the capital markets and unconnected with the operational performance. The five-year swap rate began 2022 at around 1.0%², peaked at 5.3% around the catastrophic mini budget in September, and then eased back to 4.1% at the year end.

This increase put pressure on valuers to shift property yields out too. REIT markets moved fast and far to price this outward shift in property valuation yields, arguably over-reacting. REITs entered 2022 trading at 3.7%³ discount to NAV; this widened to a discount of more than 40% in October before beginning to recover into the year-end.

The Investment Adviser undertakes fundamental research to identify the most attractive investment opportunities within each mega trend. This combination of top-down analysis of socio-economic mega trends together with bottom-up fundamental research has yielded very good results. Since launch the Fund has decreased by 6.37% (A Acc GBP), outperforming both the UK real estate index¹, which has decreased by 22.10%, and the global real estate index⁴ which has decreased by 7.42%. The Fund has outperformed the broader UK REIT market¹ every calendar year since launch.

To maintain their general tax-exempt status, UK REITs are required to distribute 90% of rental profits. Over the year, the Fund declared four distributions totalling 3.7404p (A Inc GBP). In aggregate, the trailing 12-month distributions represent a yield of 3.02%.

The Investment Adviser implements a long-term unconstrained approach to identifying the best REITs within secular mega trends. During the period under review the Fund was comprised of 23 investments, one less than the number reported at the end of the first half. LXI REIT was sold during the second half to raise cash to meet investor demands.

The investments in 23 specialist real estate companies provide diversified exposure to the four mega trends and in aggregate they own more than 5,000 individual properties that are leased to more than 100,000 individual tenants.

In terms of exposure, investment parameters cap any single position size at 9.5%, as at the end of December the largest position was Segro, a leading owner and developer of modern warehousing across the UK and continental Europe, representing 8.1% of the Fund.

The Investment Adviser's focused approach to investing tends to yield the beneficial result of low portfolio turnover even in times of rising interest rates. The Adviser believes that a properly constructed portfolio will perform throughout market cycles and that excessive levels of portfolio turnover detract from performance. During the review period, portfolio turnover for the Fund was 1.5%⁵. Annualised portfolio turnover since inception remains low at 7.8%⁵.

Over the course of 2022 the Fund participated in three placings, two from Impact Healthcare REIT (4.1% portfolio weight), the owner of high-quality care homes across the UK, and one from LXI, the specialist inflation-protected long income REIT.

In July, the Fund participated in an equity raise by Impact Healthcare REIT to help fund its attractive acquisition pipeline. Impact Healthcare REIT is strongly positioned to benefit from the demographic tailwind of an ageing population and it is set to gain from growing investment in the UK elderly residential care market.

INVESTMENT ADVISER'S REVIEW (Continued)

One challenge facing the Fund is that of rising interest rates; debt is becoming more expensive. Prudently, the Fund does not employ any leverage directly and the Investment Adviser actively controls the exposure to underlying leverage by managing individual position weights. Since launch the preference, at a Fund level, has been to have no more than moderate leverage. For the UK real estate sector this equates to approximately 27% loan to value (LTV). In comparison, continental European real estate companies deploy far higher amounts of leverage, closer to 40%. The Fund benefits from the underlying debt having an average remaining term to maturity of approximately 6.4 years, 78% of which is debt fixed, capped or hedged, at an affordable average cost of 2.9%.

Entering 2023, overarching the four investment mega trends is climate change, arguably the biggest challenge facing humankind and one that is demanding an ever more urgent response. As responses to climate change intensify and accelerate, modern sustainable real estate, with strong ESG credentials, that can grow their income are expected to outperform. The Fund strives to be well positioned from climate change perspective; the Adviser estimates that approximately 16 of the 23 holdings (76% by portfolio weight) in the portfolio have now set out a roadmap to carbon neutral or net zero status and 94% of the portfolio already reports on its Scope 1 and Scope 2 greenhouse gas emissions.

The year ahead looks likely to benefit from the tailwinds of rental growth, supported by favourable demographic trends and structural changes which will likely offset the capital markets headwind.

Further outwards, movement of physical real estate yields are almost certain as the slower moving direct property market continues to adjust to higher bond yields. However, REIT discounts may continue to improve from what looks like capitulation levels seen in October 2022. The REIT market starts 2023 at an historically attractive discount of 35.4%³ versus a 20-year average discount of 15.0%.

The degree to which property values move is likely to be determined by the ability to capture continued rent growth. Valuations for best-in-class assets within sub-sectors, such as logistics and build-to-rent, are likely to stabilise in the first half of the year as continued rent growth, high occupancy, and low tenant turnover drive strong cashflow performance. Across the Fund's portfolio there is meaningful mark-to-market reversionary potential on in-place leases providing reassurance for rental growth for next few years.

Increasing interest rates have led markets to grow fearful of a recession in 2023, albeit a shallow one, and together with the increasing need to respond to climate change owners of physical real estate are likely to accelerate the flight to quality.

The Fund has no exposure to more cyclical assets, especially not lower quality secondary office assets in secondary locations, which are likely to be negatively impacted in a recessionary environment. By contrast, prime real estate assets, especially those with strong ESG credentials, generally owned by specialist REITs, are likely to continue to experience the highest levels of demand from occupiers and therefore outperform.

As is often the case in both rising and falling markets, there is a tendency to overshoot; and that is certainly the impression as we start the new year. The year ahead looks likely to benefit from the tailwinds of rental growth, supported by favourable demographic trends and structural changes which will likely offset the capital markets headwind. The Investment Adviser expects continued rental growth and, in turn, dividend growth. A scenario which would once again prove that investing in the right thematic real assets can provide investors with growth income and not fixed income.

Gravis Advisory Limited
Investment Adviser to the Fund.
07 February 2023

¹ MSCI UK IMI Core Real Estate Net Total Return Local index.

² Bloomberg

³ EPRA Net Asset Value Report, December 2022

⁴ MSCI World Real Estate Net Total Return Local index.

⁵ Calculated using UCITS methodology

PERFORMANCE RECORD

Financial Highlights

	Year ended 31.12.2022	Period from 01.12.2020 to 31.12.2021	Period from 31.10.2019 to 30.11.2020 [^]
A (£) - Net Income			
Changes in net assets per share	GBP	GBP	GBP
Opening net asset value per share	123.9301	96.3837	100.0000
Return before operating charges	(34.4327)	32.4078	0.3340
Operating charges (note 1)	(1.3024)	(1.3485)	(0.7446)
Return after operating charges*	(35.7351)	31.0593	(0.4106)
Distributions on income shares	(3.7404)	(3.5129)	(3.2057)
Closing net asset value per share	84.4546	123.9301	96.3837
*after direct transaction costs of:	0.1459	0.3092	0.5418
Performance			
Return after charges	(28.83%)	32.22%	(0.41%)
Other information			
Closing net asset value	£14,255,126	£15,030,241	£4,172,294
Closing number of shares	16,879,041	12,128,002	4,328,838
Closing dilution adjustment	0.00%	0.00%	0.00%
Operating charges (note 2)	1.25%	1.13%	0.70%
Direct transaction costs	0.14%	0.28%	0.55%
Prices			
Highest share price	124.2816	124.3066	111.7598
Lowest share price	76.8113	93.8954	66.9327

[^]Share class launched 31 October 2019

	Year ended 31.12.2022	Period from 01.12.2020 to 31.12.2021	Period from 31.10.2019 to 30.11.2020 [^]
A (£) - Net Accumulation			
Changes in net assets per share	GBP	GBP	GBP
Opening net asset value per share	132.1865	99.6450	100.0000
Return before operating charges	(37.1427)	33.9605	0.4020
Operating charges (note 1)	(1.4114)	(1.4190)	(0.7570)
Return after operating charges*	(38.5541)	32.5415	(0.3550)
Closing net asset value per share	93.6324	132.1865	99.6450
Retained distributions on accumulated shares	4.0439	3.6787	3.2462
*after direct transaction costs of:	0.1592	0.3253	0.5508
Performance			
Return after charges	(29.17%)	32.66%	(0.36%)
Other information			
Closing net asset value	£24,285,430	£25,591,058	£5,667,700
Closing number of shares	25,936,984	19,359,817	5,687,892
Closing dilution adjustment	0.00%	0.00%	0.00%
Operating charges (note 2)	1.25%	1.13%	0.70%
Direct transaction costs	0.14%	0.28%	0.55%
Prices			
Highest share price	132.5614	132.1865	111.9296
Lowest share price	84.4314	97.0725	67.4498

[^]Share class launched 31 October 2019

PERFORMANCE RECORD (Continued)
Financial Highlights (Continued)

	Year ended 31.12.2022	Period from 01.12.2020 to 31.12.2021	Period from 31.10.2019 to 30.11.2020 [^]
F (£) - Net Income			
Changes in net assets per share	GBP	GBP	GBP
Opening net asset value per share	125.7734	97.1395	100.0000
Return before operating charges	(35.0732)	32.7058	0.3580
Operating charges (note 1)	(0.5832)	(0.5192)	-
Return after operating charges*	(35.6564)	32.1866	0.3580
Distributions on income shares	(3.8099)	(3.5527)	(3.2185)
Closing net asset value per share	86.3071	125.7734	97.1395
 *after direct transaction costs of:	 0.1485	 0.3128	 0.5438
Performance			
Return after charges	(28.35%)	33.13%	0.36%
Other information			
Closing net asset value	£5,511,389	£5,610,131	£3,571,264
Closing number of shares	6,385,791	4,460,505	3,676,427
Closing dilution adjustment	0.00%	0.00%	0.00%
Operating charges (note 2)	0.55%	0.43%	0.00%
Direct transaction costs	0.14%	0.28%	0.55%
Prices			
Highest share price	126.1399	126.1526	111.9974
Lowest share price	78.3769	94.6699	67.0979

[^]Share class launched 31 October 2019

	Year ended 31.12.2022	Period from 01.12.2020 to 31.12.2021	Period from 31.10.2019 to 30.11.2020 [^]
F (£) - Net Accumulation			
Changes in net assets per share	GBP	GBP	GBP
Opening net asset value per share	134.1806	100.3974	100.0000
Return before operating charges	(37.8438)	34.3296	0.3974
Operating charges (note 1)	(0.6322)	(0.5464)	-
Return after operating charges*	(38.4760)	33.7832	0.3974
Closing net asset value per share	95.7046	134.1806	100.3974
Retained distributions on accumulated shares	4.1176	3.7204	3.2586
 *after direct transaction costs of:	 0.1609	 0.3292	 0.5528
Performance			
Return after charges	(28.67%)	33.65%	0.40%
Other information			
Closing net asset value	£25,729,464	£33,491,038	£17,083,389
Closing number of shares	26,884,259	24,959,675	17,015,767
Closing dilution adjustment	0.00%	0.00%	0.00%
Operating charges (note 2)	0.55%	0.43%	0.00%
Direct transaction costs	0.14%	0.28%	0.55%
Prices			
Highest share price	134.5715	134.1806	112.1673
Lowest share price	86.1694	97.8450	67.6323

[^]Share class launched 31 October 2019

PERFORMANCE RECORD (Continued)
Financial Highlights (Continued)

	Year ended 31.12.2022	Period from 01.12.2020 to 31.12.2021	Period from 02.04.2020 to 30.11.2020 [^]
F (€) (Hedged) - Net Accumulation			
Changes in net assets per share	EURc	EURc	EURc
Opening net asset value per share	155.7763	117.1391	100.0000
Return before operating charges	(45.2446)	39.2729	17.1391
Operating charges (note 1)	(0.7910)	(0.6357)	-
Return after operating charges*	(46.0356)	38.6372	17.1391
Closing net asset value per share	109.7407	155.7763	117.1391
Retained distributions on accumulated shares	4.6937	4.3334	2.3231
*after direct transaction costs of:	0.1859	0.3830	0.5990
Performance			
Return after charges	(29.55%)	32.98%	17.14%
Other information			
Closing net asset value	€83,509	€84,776	€63,749
Closing number of shares	76,097	54,422	54,422
Closing dilution adjustment	0.00%	0.00%	0.00%
Operating charges (note 2)	0.55%	0.43%	0.00%
Direct transaction costs	0.14%	0.28%	0.55%
Prices			
Highest share price	156.2193	155.7763	120.7009
Lowest share price	99.0961	114.2731	97.6013

[^]share class launched 2 April 2020

	Year ended 31.12.2022	Period from 01.12.2020 to 31.12.2021	Period from 02.04.2020 to 30.11.2020 [^]
F (\$ (Hedged) - Net Accumulation			
Changes in net assets per share	USDc	USDc	USDc
Opening net asset value per share	157.9032	117.5009	100.0000
Return before operating charges	(42.3543)	41.0438	17.5009
Operating charges (note 1)	(0.8122)	(0.6415)	-
Return after operating charges*	(43.1665)	40.4023	17.5009
Closing net asset value per share	114.7367	157.9032	117.5009
Retained distributions on accumulated shares	4.6623	4.1737	2.2043
*after direct transaction costs of:	0.1908	0.3865	0.6000
Performance			
Return after charges	(27.34%)	34.38%	17.50%
Other information			
Closing net asset value	\$438,719	\$333,261	\$45,900
Closing number of shares	382,370	211,054	39,064
Closing dilution adjustment	0.00%	0.00%	0.00%
Operating charges (note 2)	0.55%	0.43%	0.00%
Direct transaction costs	0.14%	0.28%	0.55%
Prices			
Highest share price	158.3655	157.9032	121.0860
Lowest share price	102.5225	114.7833	96.5436

[^]Share class launched 2 April 2020

PERFORMANCE RECORD (Continued)

1. The operating charges per share figure is calculated by applying the operating charges percentage to the average net asset valuation per share throughout the period.
2. The operating charges percentage is based on the expenses incurred during the period annualised, as a proportion of the average net asset value of the Sub-fund plus the costs of the underlying holdings. Note the 2020 operating charges percentage excludes the underlying costs of investment trust funds which are included in the 2022 and 2021 operating charges following the latest IA guidance issued in 2020.

Risk Profile

Based on past data, the Sub-fund is ranked a '6' on the synthetic risk and reward indicator scale (of 1 to 7) as described fully in the Key Investor Information Document (31 December 2021: ranked 5). The Sub-fund is ranked 6 because monthly historical performance data indicates that significant rises and falls in market prices would have occurred historically.

PORTFOLIO STATEMENT

As at 31 December 2022

		Value £	% of net assets
Holding	REAL ESTATE INVESTMENT TRUSTS (31.12.2021: 98.04%)		
7,072,435	Assura PLC	3,858,013	5.51
320,340	Big Yellow Group PLC	3,715,944	5.31
58,700	Derwent London PLC	1,394,712	1.99
1,593,850	Grainger PLC	4,057,942	5.80
532,605	Helical PLC	1,797,542	2.57
2,707,350	Impact Healthcare REIT PLC	2,869,791	4.10
1,351,813	Industrials REIT Limited	1,716,803	2.45
2,442,000	Life Science REIT PLC	1,758,240	2.51
210,600	Lokn Store Group PLC	1,979,640	2.83
2,015,700	Londonmetric Property PLC	3,493,208	4.99
17,530	Mountview Estates PLC	2,015,950	2.88
3,237,200	Primary Health Properties PLC	3,606,241	5.15
4,512,000	PRS Reit PLC	3,988,608	5.70
387,250	Safestore Holdings PLC	3,663,385	5.23
736,050	SEGRO PLC	5,658,752	8.08
1,904,900	Target Healthcare REIT Ltd	1,542,969	2.20
3,581,700	Tritax Big Box REIT PLC	5,010,798	7.16
3,031,448	Tritax EuroBox PLC	1,855,246	2.65
582,020	Unite Group PLC	5,308,022	7.58
2,785,950	Urban Logistics Reit PLC	3,733,173	5.33
3,108,850	Warehouse REIT PLC	3,295,381	4.71
877,871	Watkin Jones PLC	879,627	1.26
397,500	Workspace Group PLC	1,781,596	2.56
		68,981,583	98.55
	Currency hedges (31.12.2021: 0.00%)		
	USD Share Class Hedge	1,852	-
	EUR Share Class Hedge	582	-
		2,434	-
	Portfolio of investments (31.12.2021: 98.04%)	68,984,017	98.55
	Net other assets (31.12.2021: 2.12%)	1,010,341	1.45
		69,994,358	100.00

Note: The 31 December 2021 comparators percentages are based on Mid pricing and does not add up to 100%. The Mid to Bid adjustment for the year ended 31 December 2021 was (0.16%).

SUMMARY OF MATERIAL PORTFOLIO CHANGES

	£
Total sales for the year (note 14)	6,289,908
Assura PLC	473,746
Big Yellow Group PLC	249,740
Derwent London PLC	102,245
Grainger PLC	379,631
Helical PLC	2,318
Impact Healthcare REIT PLC	328,459
Londonmetric Property PLC	458,377
LXi REIT PLC	1,833,054
Primary Health Properties PLC	110,531
Safestore Holdings PLC	247,876
SEGRO PLC	442,236
Target Healthcare REIT Ltd	72,439
Tritax Big Box REIT PLC	145,904
Unite Group PLC	639,166
Urban Logistics Reit PLC	288,245
Warehouse REIT PLC	109,005
Watkin Jones PLC	166,218
Workspace Group PLC	240,718
Total purchases for the year (note 14)	26,611,743
Assura PLC	420,989
Big Yellow Group PLC	991,581
Derwent London PLC	622,818
Grainger PLC	847,812
Helical PLC	707,652
Impact Healthcare REIT PLC	1,621,647
Industrials REIT Limited	208,499
Life Science REIT PLC	422,383
Lokn Store Group PLC	2,055,027
Londonmetric Property PLC	969,130
LXi REIT PLC	1,617,605
Mountview Estates PLC	630,566
Primary Health Properties PLC	1,141,501
PRS Reit PLC	2,656,482
Safestore Holdings PLC	774,542
SEGRO PLC	2,908,020
Tritax Big Box REIT PLC	2,187,646
Tritax EuroBox PLC	1,078,672
Unite Group PLC	1,465,539
Warehouse REIT PLC	1,823,863
Watkin Jones PLC	239,935
Workspace Group PLC	1,219,834

The above transactions represent the sales and purchases for the year.

STATEMENT OF TOTAL RETURN

For the year ended 31 December

	Notes	2022	Period 01.12.2020 to 31.12.2021
		£	£
Income			
Net capital (losses)/gains	2	(29,534,524)	14,175,061
Revenue	3	2,954,824	1,749,948
Expenses	4	(338,530)	(232,953)
Interest payable and similar charges	6	(527)	(2,943)
Net revenue before taxation		2,615,767	1,514,052
Taxation	5	-	126,386
Net revenue after taxation		2,615,767	1,640,438
Total return before distributions		(26,918,757)	15,815,499
Finance costs: distributions	6	(2,895,183)	(1,695,624)
Changes in net assets attributable to shareholders from investment activities		(29,813,940)	14,119,875

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 31 December

	2022	Period 01.12.2020 to 31.12.2021
	£	£
Opening net assets attributable to shareholders	79,915,790	30,393,437
Amounts receivable on creation of shares	37,920,730	47,447,072
Amounts payable on redemption of shares	(20,214,371)	(13,406,242)
Retained distributions on accumulation shares	2,186,149	1,352,820
Dilution levies	-	8,828
Changes in net assets attributable to shareholders from investment activities (see above)	(29,813,940)	14,119,875
Closing net assets attributable to shareholders	69,994,358	79,915,790

BALANCE SHEET

As at	Notes	31.12.2022		31.12.2021	
		£	£	£	£
FIXED ASSETS					
Investment assets			68,984,017		78,233,347
CURRENT ASSETS					
Debtors	7	793,340		459,024	
Cash and bank balances	8	<u>553,226</u>		<u>1,522,554</u>	
Total current assets			<u>1,346,566</u>		<u>1,981,578</u>
Total assets			70,330,583		80,214,925
CURRENT LIABILITIES					
Distribution payable on income shares		(170,784)		(119,702)	
Creditors	9	<u>(165,441)</u>		<u>(179,433)</u>	
Total current liabilities			<u>(336,225)</u>		<u>(299,135)</u>
Net assets attributable to shareholders			69,994,358		79,915,790

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

The principal accounting policies, which have been applied in the current and prior period are set out below:

1 Accounting policies

- (a) The financial statements have been prepared in accordance with FRS 102, the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Association (IA) in May 2014 and the amendments to the SORP issued by the IA in June 2017. The functional currency is Sterling.
- (b) There are no material events that have been identified that may cast significant doubt about the Company's ability to continue as a going concern for at least the next twelve months from the date these financial statements are authorised for issue. The ACD believes that the Company has adequate resources to continue in operational existence for the foreseeable future and they continue to adopt the going concern basis in preparing the financial statements.
- (c) All expenses, other than those relating to the purchase and sale of investments, are charged to revenue on an accruals basis. All expenses are then reallocated to capital, net of any tax effect for distribution purposes.
- (d) Distributions on equities and property income distributions are recognised when the security is quoted ex-dividend. Other revenue is accounted for on an accruals basis. The IM rebate is calculated and accrued for daily and credited to revenue each day, and then reallocated to capital, net of any tax effect for distribution purposes.
- (e) The ordinary element of stocks received in lieu of cash dividends is recognised as revenue of the Sub-fund, and where applicable is included in the distribution. In the case of enhanced stock dividend the value of the enhancement is treated as capital.
- (f) Special dividends are treated as either revenue or a repayment of capital depending on the facts of each particular case. Where the receipt of a special dividend results in a significant reduction in the capital value or where the distribution arises from an underlying capital event such as a merger or disposal these would typically be deemed as capital so as to ensure that the matching principle is applied to gains and losses. Otherwise, the special dividend would typically be recognised as revenue. Where special dividends are treated as revenue, they are included in the amount available for distribution. The tax accounting treatment follows the principal amount.
- (g) Quoted investments are valued at closing bid prices on the last business day of the accounting period at 12 noon, being 30 December 2022 at 12 noon.
- (h) All transactions in foreign currencies are converted into Sterling at the rates of exchange ruling at the date of such transactions. Foreign currency assets and liabilities at the end of the accounting year are translated at the exchange rates at the closing valuation point on 30 December 2022.
- (i) Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay less or receive more tax. Deferred tax assets are recognised only to the extent that the Authorised Corporate Director considers that it is more likely than not there will be taxable profits from which underlying timing differences can be deducted.
- (j) The Sub-fund currently issues Accumulation & Income shares. The Sub-fund goes ex dividend quarterly and pays any income available to the shareholder one month in arrears, as a dividend distribution. Any revenue deficit at the year end is funded from capital.

If a distribution remains unclaimed for a year or six years after it has become due, it will be forfeited and will revert to the Sub-fund (or if it no longer exists the ACD). Application to claim distributions that have not been paid should be made to the ACD before this six year has elapsed.

For the treatment of expenses revert to policy 'c' and special dividends revert to policy 'f'.

Equalisation applies only to shares purchased during the distribution year (Group 2 shares). It represents the accrued revenue included in the purchase price of the shares. It is returned with the distribution as a capital repayment. It is not liable to income tax but must be deducted from the cost of the shares for capital gains tax purposes.

- (k) The Sub-fund operates a dilution adjustment also known as swing pricing. This means that the daily price of the Sub-fund is swung up or down, depending on whether there are net inflows or outflows respectively. This means that the costs of transactions in the underlying investments of the Sub-fund are borne by those entering or exiting, rather than affecting the returns of existing shareholders. The dilution adjustment will be calculated by reference to the costs of dealing in the underlying investments of that fund, including any dealing spreads, and these can vary with market conditions. The ACD estimates that the estimated range of this adjustment will typically fall in the range of 0.01% to 0.75% when buying or selling shares, with a maximum of 1.00%.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

		Period 01.12.2020 to 31.12.2021
2 Net capital (losses)/gains	2022	£
	£	£
The net capital (losses)/gains comprise:		
Realised non-derivative securities (losses)/gain	(1,337,155)	419,218
Unrealised non-derivative securities (losses)/gains	(28,236,552)	13,757,893
Currency hedge gains	40,527	291
Currency gains/(losses)	297	(1,141)
Transaction charges	(1,641)	(1,200)
Total net capital (losses)/gains	(29,534,524)	14,175,061

		Period 01.12.2020 to 31.12.2021
3 Revenue	2022	£
	£	£
Non-taxable dividends	1,088,370	413,369
Property income distributions (PIDs)	1,774,002	1,274,025
Interest distributions	24,495	11,157
Investment adviser rebate	57,468	51,381
Bank interest	10,489	16
Total revenue	2,954,824	1,749,948

		Period 01.12.2020 to 31.12.2021
4 Expenses	2022	£
	£	£
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director, and agents of either of them:		
Annual management charge	281,656	183,903
Payable to the depositary, associates of the depositary, and agents of either of them:		
Depositary fee	29,105	22,529
Safe custody fee	3,180	2,404
	32,285	24,933
Other expenses:		
Audit fee	10,406	11,066
FCA fee	48	60
Other fees	14,135	12,991
	24,589	24,117
Total expenses	338,530	232,953

		Period 01.12.2020 to 31.12.2021
5 Taxation	2022	£
	£	£
(a) Analysis of charge in the year		
UK corporation tax charge	-	-
Prior year tax adjustment	-	(126,386)
Total tax charge for the year (note 5b)	-	(126,386)

(b) Factors affecting current tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an authorised unit trust 20.00% (2021:20.00%)

The differences are explained below:

Net revenue before UK corporation tax	2,615,767	1,514,052
Corporation tax at 20.00% (2021:20.00%)	523,153	302,810
<u>Effects of:</u>		
Revenue not subject to UK corporation tax	(572,474)	(337,479)
Excess management expenses	49,321	34,669
Prior year tax adjustment	-	(126,386)
Total tax charge for the year (note 5a)	-	(126,386)

(c) Provision for deferred taxation

At 31 December 2022 there is a potential deferred tax asset of £93,246 (31 December 2021: £43,925) in relation to surplus management expenses. It is unlikely the Sub-fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised.

		Period 01.12.2020 to 31.12.2021
6 Finance costs	2022	£
	£	£
Interim dividend distributions	2,355,166	1,340,402
Final dividend distribution	602,952	462,100
	2,958,118	1,802,502
Add: Revenue deducted on cancellation of shares	74,769	58,605
Deduct: Revenue received on issue of shares	(137,704)	(165,483)
Net distribution for the year	2,895,183	1,695,624
Interest payable and similar charges	527	2,943
Total finance costs	2,895,710	1,698,567
Reconciliation of distributions		
Net revenue after taxation	2,615,767	1,640,438
Expenses paid from capital less investment adviser rebate	281,062	181,572
Relief on expenses allocated to capital	(6,891)	(1,646)
Balance brought forward	(1,646)	(126,386)
Balance carried forward	6,891	1,646
Net distribution for the year	2,895,183	1,695,624

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7 Debtors	31.12.2022	31.12.2021
	£	£
Amounts receivable on creation of shares	486,438	259,464
Amounts payable on redemption of shares	1,175	-
Accrued income:		
Non-taxable dividends	187,305	76,733
Property income distributions (PIDs)	96,103	109,289
Interest distributions	5,673	7,524
Prepayments	1,995	85
Investment adviser rebate	14,651	5,929
	793,340	459,024
8 Cash and bank balances	31.12.2022	31.12.2021
	£	£
Cash and bank balances	553,226	1,522,554
9 Creditors	31.12.2022	31.12.2021
	£	£
Amounts payable for redemption of shares	87,018	137,037
Amounts payable on unsettled trades	756	4,156
Amounts payable to the ACD, associates of the ACD and agents of either of them:		
Annual management charge	58,665	22,970
Amounts payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	2,074	2,357
Transaction charges	1,674	194
Safe custody fees	3,456	775
	7,204	3,326
Audit fee	10,721	11,066
Other accrued expenses	1,077	878
Total creditors	165,441	179,433

10 Shares held**A (£) - Net Income**

Opening Shares at 01.01.2022	12,128,002
Shares issued during the year	7,037,684
Shares cancelled during the year	(2,315,635)
Shares converted during the year	28,990
Closing Shares at 31.12.2022	16,879,041

A (£) - Net Accumulation

Opening Shares at 01.01.2022	19,359,817
Shares issued during the year	12,276,926
Shares cancelled during the year	(5,672,820)
Shares converted during the year	(26,939)
Closing Shares at 31.12.2022	25,936,984

F (£) - Net Income

Opening Shares at 01.01.2022	4,460,505
Shares issued during the year	3,286,140
Shares cancelled during the year	(1,360,854)
Shares converted during the year	-
Closing Shares at 31.12.2022	6,385,791

F (£) - Net Accumulation

Opening Shares at 01.01.2022	24,959,675
Shares issued during the year	12,555,756
Shares cancelled during the year	(10,631,172)
Shares converted during the year	-
Closing Shares at 31.12.2022	26,884,259

F (€) (Hedged) - Net Accumulation

Opening Shares at 01.01.2022	54,422
Shares issued during the year	21,675
Shares cancelled during the year	-
Shares converted during the year	-
Closing Shares at 31.12.2022	76,097

F (\$) (Hedged) - Net Accumulation

Opening Shares at 01.01.2022	211,054
Shares issued during the year	193,417
Shares cancelled during the year	(22,101)
Shares converted during the year	-
Closing Shares at 31.12.2022	382,370

11 Risk management policies

In pursuing its investment objective as stated on page 7, the Sub-fund holds a number of financial instruments. The Sub-fund's financial instruments other than derivatives, comprise securities and other investments, cash balances, debtors and creditors that arise directly from its operations, for example, in respect of sales and purchases awaiting settlement, amounts receivable for issues and payable for redemptions and debtors for accrued revenue. The main risks arising from the Sub-fund's financial instruments, those of its underlying holdings and the ACD's policies for managing these risks are summarised below. These policies have been applied throughout the year.

Credit risk

Credit risk is the risk that a counterparty may be unable or unwilling to make a payment or fulfil contractual obligations. This may be in terms of an actual default or by deterioration in a counterparty's credit quality.

Certain transactions in securities that the Sub-fund enters into expose it to the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the Sub-fund has fulfilled its responsibilities. The Sub-fund only buys and sells investments through brokers which have been approved by the ACD as acceptable counterparties and fund management companies. In addition, limits are set to the exposure to any individual broker that may exist at any time and changes in brokers' financial ratings are reviewed. Credit risk also arises on cash held within financial institutions. Credit risk on cash balances is mitigated by ensuring that cash is held with financial institutions that are at least investment grade credit related.

Interest rate risk

Interest rate risk is the risk to portfolio value due to changes in interest rates. The magnitude of the exposure from an adverse change in interest rates depends on the sensitivity of the instrument to changes in interest rates as well as the absolute change in interest rates. In general, values of long-term instruments are more sensitive to interest rate changes than the values of short-term instruments.

The Sub-fund take on interest rate risk when the investment manager believes the expected returns compensate for the risk, limited by the investment objective, policy and any prospectus rules. The investment manager monitors the level of interest rate risk in the fund on a regular basis. In addition any cash deposits in the sub-fund are linked to SONIA, ensuring interest income increases as interest rates increase.

The table below details the interest rate risk profile at the balance sheet date:

	31.12.2022	31.12.2021
	£	£
Financial assets floating rate	553,226	1,522,554
Financial assets non-interest bearing instruments	69,777,357	78,692,371
Financial liabilities non-interest bearing instruments	(336,225)	(299,135)
	69,994,358	79,915,790

Foreign currency risk

Foreign currency risk is the risk that the value of the Sub-fund's investment holdings will fluctuate as a result of changes in foreign currency exchange rates.

The Sub-fund's investment portfolio is invested in overseas securities and the balance sheet can be affected by movements in foreign exchange rates. The AFM may seek to manage exposure to currency movements by using forward exchange contracts or by hedging the Sterling value of investments that are priced in other currencies. Revenue received in other currencies is converted to Sterling on or near the date of receipt. A portion of the net assets of the Sub-fund is denominated in currencies other than sterling with the effect that the balance sheet and total return can be affected by currency movements.

The table below shows the direct foreign currency risk profile:

	Net monetary assets and liabilities		Non-monetary assets and liabilities		Total net assets	
	£		£		£	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Sterling	975,214	1,658,985	68,981,583	78,232,790	69,956,797	79,891,775
Euro	33,960	22,979	582	89	34,542	23,068
US Dollars	1,167	479	1,852	468	3,019	947
Total	1,010,341	1,682,443	68,984,017	78,233,347	69,994,358	79,915,790

Leverage

The Sub-fund did not employ any significant leverage during both the current year and prior period.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11 Risk management policies (continued)

Liquidity risk

The Sub-fund's assets comprise mainly of readily realisable securities. The main liability of the Sub-fund is the redemption of any shares that the investors wish to sell. Assets of the Sub-fund may need to be sold if insufficient cash is available to finance such redemptions.

All financial liabilities are payable in one year or less, or on demand.

Market price risk

Market price risk is the risk that the value of the Sub-fund's financial instruments will fluctuate as a result of changes in market prices caused by factors other than interest rate or foreign currency movement. Market price risk arises primarily from uncertainty about the future prices of financial instruments that the Sub-fund holds.

Market price risk represents the potential loss the Sub-fund may suffer through holding market positions in the face of price movements. The Sub-fund's investment portfolio is exposed to price fluctuations, which are monitored by the ACD in pursuance of the investment objective and policy. The risk is generally regarded as consisting of two elements – stock specific risk and market risk. Adhering to investment guidelines and avoiding excessive exposure to one particular issuer can limit stock specific risk. Subject to compliance with the investment objective, spreading exposure across a broad range of global stocks can mitigate market risk.

A 10% increase in the value of the Sub-fund's portfolio would have the effect of increasing the return and net assets by £6,898,402 (30.12.2021: £7,823,335). A 10% decrease would have an equal and opposite effect.

Fair value disclosure

The fair value hierarchy is intended to prioritise the inputs that are used to measure the fair value of assets and liabilities. The highest priority is given to quoted prices and the lowest priority to un-observable inputs. The criteria applied to the fair values levels in these financial statements are as follows:

Level 1: Unadjusted quoted price in an active market for an identical instrument;

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;

Level 3: Valuation techniques using unobservable inputs.

Valuation Technique	31.12.2022		31.12.2021	
	Assets £000's	Liabilities £000's	Assets £000's	Liabilities £000's
Level 1: Unadjusted quoted price in an active market for an identical instrument	68,984	-	78,233	-
Total	68,984	-	78,233	-

12 Contingent assets and liabilities

At 31 December 2022, the Sub-fund had no contingent liabilities or commitments (31 December 2021: none).

13 Post balance sheet events

As indicated in the accounting policies in Note 1, the investments have been valued at the closing valuation point on 30 December 2022. Since that date, the Sub-fund's quoted price has moved as follows for each share class:

Share Class	Price (GBp) 30 December 2022	Price (GBp) at 27 April 2023
A (£) - Net Income	84.4546	83.9360
A (£) - Net Accumulation	93.6324	94.4100
F (£) - Net Income	86.3071	85.9722
F (£) - Net Accumulation	95.7046	96.7177
	Price (EURc) 30 December 2022	Price (EURc) at 27 April 2023
F (€) (Hedged) - Net Accumulation	109.7407	110.2968
	Price (USDc) 30 December 2022	Price (USDc) at 27 April 2023
F (\$) (Hedged) - Net Accumulation	114.7367	116.2140

Note: On 28 February 2023 the B (£) – Net Income and B (£) – Net Accumulation were launched at 100p per share. As at the 27 April 2023 the share prices were:

B (£) – Net Income - 96.8633p

B (£) – Net Accumulation - 97.6521p

14 Direct transaction costs

	2022		Period 01.12.2020 to 31.12.2021	
	£	%	£	%
Analysis of total purchase costs				
Purchases in the year before transaction costs	26,503,320		41,706,392	
Commissions	11,747	0.04%	15,949	0.04%
Taxes & levies	96,676	0.36%	131,357	0.31%
Total purchase costs	108,423	0.40%	147,306	0.35%
Total purchases including transaction costs	26,611,743		41,853,698	

	2022		Period 01.12.2020 to 31.12.2021	
	£	%	£	%
Analysis of total sale costs				
Sales in year before transaction costs	6,293,175		7,748,499	
Commissions	(3,233)	(0.05%)	(3,874)	(0.05%)
Taxes & levies	(34)	(0.00%)	(16)	(0.00%)
Total sales costs	(3,267)	(0.05%)	(3,890)	(0.05%)
Total sales including transaction costs	6,289,908		7,744,609	

The following represents the total of each type of transaction cost, expressed as a percentage of the Sub-fund's average net asset value in the year:

	2022	% of average net asset value	Period 01.12.2020 to 31.12.2021	% of average net asset value
	£		£	
Commissions	14,980	0.02%	19,823	0.04%
Taxes & levies	96,710	0.12%	131,373	0.24%
	111,690	0.14%	151,196	0.28%

15 Portfolio dealing spread

The average portfolio dealing spread at 31 December 2022 is 0.65% (2021: 0.32%).

16 Related party transactions

Valu-Trac Investment Management Limited, as ACD is a related party due to its ability to act in respect of the operations of the Sub-fund.

Amounts paid to the ACD and its associates are disclosed in note 4. The amounts due to the ACD and its associates at the balance sheet date are disclosed in note 9. Amounts received from the ACD and its associates are disclosed in note 3. Amounts due from the ACD and its associates at the balance sheet date are disclosed in note 7.

DISTRIBUTION TABLES

1st Interim distributions in pence per share for all share classes

Group 1: shares purchased prior to 31 December 2021

Group 2 : shares purchased on or after 31 December 2021 and on or before 31 March 2022

Payment date	share type	Share Class	Net revenue 2022	Equalisation 2022	Distribution 2022
29.04.2022	group 1	A (£) - Net Income	1.0801p	-	1.0801p
29.04.2022	group 2	A (£) - Net Income	0.6736p	0.4065p	1.0801p
29.04.2022	group 1	A (£) - Net Accumulation	1.1520p	-	1.1520p
29.04.2022	group 2	A (£) - Net Accumulation	0.5499p	0.6021p	1.1520p
29.04.2022	group 1	F (£) - Net Income	1.0971p	-	1.0971p
29.04.2022	group 2	F (£) - Net Income	0.5206p	0.5765p	1.0971p
29.04.2022	group 1	F (£) - Net Accumulation	1.1705p	-	1.1705p
29.04.2022	group 2	F (£) - Net Accumulation	0.8517p	0.3188p	1.1705p
29.04.2022	group 1	F (€) (Hedged) - Net Accumulation	1.1350p	-	1.1350p
29.04.2022	group 2	F (€) (Hedged) - Net Accumulation	1.1350p	-	1.1350p
29.04.2022	group 1	F (\$) (Hedged) - Net Accumulation	1.0108p	-	1.0108p
29.04.2022	group 2	F (\$) (Hedged) - Net Accumulation	0.5962p	0.4146p	1.0108p

2nd Interim distributions in pence per share for all share classes

Group 1: shares purchased prior to 31 March 2022

Group 2 : shares purchased on or after 31 March 2022 and on or before 30 June 2022

Payment date	share type	Share Class	Net revenue 2022	Equalisation 2022	Distribution 2022
29.07.2022	group 1	A (£) - Net Income	0.9337p	-	0.9337p
29.07.2022	group 2	A (£) - Net Income	0.6189p	0.3148p	0.9337p
29.07.2022	group 1	A (£) - Net Accumulation	1.0073p	-	1.0073p
29.07.2022	group 2	A (£) - Net Accumulation	0.6154p	0.3919p	1.0073p
29.07.2022	group 1	F (£) - Net Income	0.9517p	-	0.9517p
29.07.2022	group 2	F (£) - Net Income	0.5205p	0.4312p	0.9517p
29.07.2022	group 1	F (£) - Net Accumulation	1.0244p	-	1.0244p
29.07.2022	group 2	F (£) - Net Accumulation	0.3200p	0.7044p	1.0244p
29.07.2022	group 1	F (€) (Hedged) - Net Accumulation	0.9769p	-	0.9769p
29.07.2022	group 2	F (€) (Hedged) - Net Accumulation	0.2056p	0.7713p	0.9769p
29.07.2022	group 1	F (\$) (Hedged) - Net Accumulation	0.9351p	-	0.9351p
29.07.2022	group 2	F (\$) (Hedged) - Net Accumulation	0.1511p	0.7840p	0.9351p

DISTRIBUTION TABLES (Continued)

3rd Interim distributions in pence per share for all share classes

Group 1: shares purchased prior to 1 July 2022

Group 2 : shares purchased on or after 1 July 2022 and on or before 30 September 2022

Payment date	share type	Share Class	Net revenue 2022	Equalisation 2022	Distribution 2022
31.10.2022	group 1	A (£) - Net Income	0.9993p	-	0.9993p
31.10.2022	group 2	A (£) - Net Income	0.4707p	0.5286p	0.9993p
31.10.2022	group 1	A (£) - Net Accumulation	1.0851p	-	1.0851p
31.10.2022	group 2	A (£) - Net Accumulation	0.4457p	0.6394p	1.0851p
31.10.2022	group 1	F (£) - Net Income	1.0184p	-	1.0184p
31.10.2022	group 2	F (£) - Net Income	0.4101p	0.6083p	1.0184p
31.10.2022	group 1	F (£) - Net Accumulation	1.1061p	-	1.1061p
31.10.2022	group 2	F (£) - Net Accumulation	0.4622p	0.6439p	1.1061p
31.10.2022	group 1	F (€) (Hedged) - Net Accumulation	1.0878p	-	1.0878p
31.10.2022	group 2	F (€) (Hedged) - Net Accumulation	1.0878p	-	1.0878p
31.10.2022	group 1	F (\$) (Hedged) - Net Accumulation	1.1059p	-	1.1059p
31.10.2022	group 2	F (\$) (Hedged) - Net Accumulation	1.1059p	-	1.1059p

Final distribution in pence per share for all share classes

Group 1: Shares purchased prior to 01 October 2022

Group 2 : Shares purchased on or after 01 October 2022 and on or before 31 December 2022

Payment date	share type	Share Class	Net revenue 2022	Equalisation 2022	Distribution 2022
31.01.2023	group 1	A (£) - Net Income	0.7273p	-	0.7273p
31.01.2023	group 2	A (£) - Net Income	0.4036p	0.3237p	0.7273p
31.01.2023	group 1	A (£) - Net Accumulation	0.7995p	-	0.7995p
31.01.2023	group 2	A (£) - Net Accumulation	0.6336p	0.1659p	0.7995p
31.01.2023	group 1	F (£) - Net Income	0.7427p	-	0.7427p
31.01.2023	group 2	F (£) - Net Income	0.7259p	0.0168p	0.7427p
31.01.2023	group 1	F (£) - Net Accumulation	0.8166p	-	0.8166p
31.01.2023	group 2	F (£) - Net Accumulation	0.6121p	0.2045p	0.8166p
31.01.2023	group 1	F (€) (Hedged) - Net Accumulation	0.8140p	-	0.8140p
31.01.2023	group 2	F (€) (Hedged) - Net Accumulation	0.8140p	-	0.8140p
31.01.2023	group 1	F (\$) (Hedged) - Net Accumulation	0.8282p	-	0.8282p
31.01.2023	group 2	F (\$) (Hedged) - Net Accumulation	0.8251p	0.0031p	0.8282p

Prior period distributions

Below are the comparators for the distributions in the period ending 31 December 2021.

Distribution period	Paydate	A (£) - Net Income	A (£) - Net Acc	F (£) - Net Income	F (£) - Net Acc	F (€) (Hedged) - Net Acc	F (\$) (Hedged) - Net Acc
01 December 2020 to 28 February 2021	31 March 2021	0.5613p	0.5803p	0.5661p	0.5851p	0.6074p	0.4872p
01 March 2021 to 31 May 2021	30 June 2021	0.9096p	0.9456p	0.9188p	0.9550p	0.9582p	0.7844p
01 June 2021 to 30 June 2021	30 July 2021	0.4071p	0.4268p	0.4117p	0.4316p	0.4316p	0.3598p
01 July 2021 to 30 September 2021	29 October 2021	0.9160p	0.9637p	0.9271p	0.9755p	0.9716p	0.7950p
01 October 2021 to 31 December 2021	31 January 2022	0.7189p	0.7623p	0.7290p	0.7732p	0.7601p	0.6648p

DISTRIBUTION TABLES (Continued)

Information for corporate shareholders

A corporate shareholder receives the distribution shown on the voucher enclosed with this report as follows:

- i) 61.23% of the total dividend allocation is received as Property income.
- ii) 1.21% of the total dividend allocation is received as Interest income.
- iii) 37.56% of the total dividend allocation is received as Other income.

INFORMATION FOR INVESTORS

Individual shareholders

Income tax: Tax-free annual dividend allowance now standing at £2,000 (2022/23). UK resident shareholders are subject to new, higher rates of tax on dividend income in excess of the annual allowance. The actual rate depends on the individual's tax rate band.

Capital gains tax: Individual shareholders resident in the UK for tax purposes may be liable to capital gains tax on realisation of their shares as with other chargeable assets. However, the first £12,300 (2022/23) of gains each year are presently tax free for individuals. Gains in excess of that amount are charged at the rate of tax applicable to the individual.

Taxation

The Sub-fund will pay no corporation tax on its profits for the period ended 31 December 2022. Capital gains within the Sub-fund will not be taxed. Further information on the taxation of Property Authorised Investment Fund (PAIF) can be found at <https://www.gov.uk/hmrc-internal-manuals/investment-funds/ifm04110>.

Corporate shareholders

Companies resident for tax purposes in the UK which hold shares should note that OEIC distributions are streamed into both franked and unfranked income. The unfranked income element will be treated as an annual payment which has been subject to income tax at a rate of 20% and will be liable to tax accordingly. On realisation of their shares, UK resident companies may be liable to pay corporation tax on any capital gains.

The above information on taxation is only a general summary, and shareholders should consult their own tax advisors in relation to their own circumstances. Shareholders should also note that the position as outlined may change to reflect future changes in tax legislation.

Issue and redemption of shares

Valu-Trac Investment Management Limited is the ACD and Registrar. Valu-Trac Investment Management Limited will receive requests for the purchase or sale of shares at any time during normal business hours. Instructions may be given by email to (GULP@valu-trac.com) or by sending an application form to the Registrar. Application forms are available from the Registrar.

The price of shares will be determined by reference to a valuation of the Company's net assets at 12:00 noon on each dealing day.

The ACD has the right to reject, on reasonable grounds relating to the circumstances of the applicant, any application for shares in whole or part, and in this event the ACD will return any money sent, or the balance of such monies, at the risk of the applicant.

Any subscription monies remaining after a whole number of shares has been issued will not be returned to the applicant. Instead, smaller denomination shares will be issued in such circumstances.

A contract note giving details of the shares purchased and the price used will be issued by the Registrar by the end of the business day following the valuation point by reference to which the purchase price is determined.

Ownership of shares will be evidenced by an entry on the Company's Register of Shareholders. Certificates will not be issued. Statements in respect of periodic distributions of revenue will show the number of shares held by the recipient in respect of which the distribution is made. Individual statements of a shareholder's shares will also be issued at any time on request by the registered holder.

Where shares are redeemed, payment will be made not later than the close of business on the fourth business day following the next valuation point after receipt by the ACD of a request for redemption. The minimum value of shares that a shareholder may hold is £100, for Class A Income and Class A Accumulation shares and £nil for Class F Income and Class F Accumulation. The ACD may at its discretion accept subscriptions lower than the minimum amount.

Alternative Investment Fund Managers Directive

The ACD is subject to a remuneration policy which meets the requirements of the ESMA published Guidelines on sound remuneration policies under the AIFMD as set out in SYSC 19B of the FCA Handbook.

The policy is designed to ensure practices for employee remuneration are consistent with, and promote, sound and effective risk management. It does not encourage risk-taking which is inconsistent with the risk profiles, rules or instrument of incorporation of the funds managed, and does not impair the ACD compliance with its duty to act in the best interests of the funds it manages.

The ACD has reviewed the Remuneration Policy and its application in the last year which has resulted in no material changes to the policy or irregularities to process.

The ACD is required to disclose the total remuneration it pays to its staff during the financial year, split into fixed and variable remuneration, with separate aggregate disclosure for staff whose actions may have a material impact to the risk profile of a fund or the ACD itself. This includes executives, senior risk and compliance staff and certain senior managers.

30.09.2022	Number of Beneficiaries	Fixed Remuneration	Variable Remuneration Paid	Total Remuneration Paid
Total remuneration paid by the ACD during the year	95	£ 2,760,167	£ nil	£ 2,760,167
Remuneration paid to employees of the ACD who have a material impact on the risk profile of the UK UCITS	8	£ 492,146	£ nil	£ 492,146
Senior Management	18	£ 1,042,368	£ nil	£ 1,042,368
Control Functions	13	£ 652,722	£ nil	£ 652,722
Employees receiving total remuneration that takes them into the same remuneration brackets as senior management and risk takers	3	£ 149,085	£ nil	£ 149,085

Further information is available in the ACD's Remuneration Policy document which can be obtained from <https://www.valu-trac.com/Pillar%203%202021-09.pdf>. A paper copy of the remuneration policy is available on request from the registered office of the Authorised Corporate Director free of charge.

CORPORATE DIRECTORY

Authorised Corporate Director, Manager & Registrar	Valu-Trac Investment Management Limited Orton Moray IV32 7QE Telephone: 01343 880344 Fax: 01343 880267 Email: GULP@valu-trac.com Authorised and regulated by the Financial Conduct Authority Registered in England No 2428648
Investment Adviser	Gravis Advisory Limited 24 Savile Row London W1S 2ES
Depository	NatWest Trustee and Depositary Services Limited House A Floor 0, 175 Glasgow Road Gogarburn Edinburgh EH12 1HQ Authorised and regulated by the Financial Conduct Authority
Auditor	Johnston Carmichael LLP Commerce House South Street Elgin Moray IV30 1JE

Statement by the Authorised Fund Manager (AFM) to the shareholders of the VT Gravis UK Listed Property (PAIF) Fund on the outcome of the AFM's assessment of the value provided to shareholders

For the year ended 31 December 2022

This assessment is to establish what the VT Gravis UK Listed Property (PAIF) Fund (the Fund) has delivered to you in return for the price you have had to pay.

Our assessment has been conducted against the seven factors outlined by the FCA and the Fund has been rated via a 'traffic light' system, where green (G) indicates good value: amber (A) room for improvement, and red (R) poor value.

The dashboard below shows the overall summary of this assessment, as at 31 December 2022:

	Quality of Service	Performance	AFM costs - general	Economies of scale	Comparable market rates	Comparable services	Classes of units	Overall
VT Gravis UK Listed Property (PAIF) Fund								
A Net Accumulation GBP	● G	● G	● G	● G	● G	● G	● G	● G
F Net Accumulation GBP	● G	● G	● G	● G	● G	● G	● G	● G
F Net Accumulation EUR (H)	● G	● G	● G	● G	● G	● G	● G	● G
F Net Accumulation USD (H)	● G	● G	● G	● G	● G	● G	● G	● G
A Net Income GBP	● G	● G	● G	● G	● G	● G	● G	● G
F Net Income GBP	● G	● G	● G	● G	● G	● G	● G	● G

The dashboard below shows the overall summary for the previous assessment i.e. carried out as at 31 December 2021:

	Quality of Service	Performance	AFM costs - general	Economies of scale	Comparable market rates	Comparable services	Classes of units	Overall
VT Gravis UK Listed Property (PAIF) Fund								
A Net Accumulation GBP	● G	● G	● G	● G	● G	● G	● G	● G
F Net Accumulation GBP	● G	● G	● G	● G	● G	● G	● G	● G
F Net Accumulation EUR (H)	● G	● G	● G	● G	● G	● G	● G	● G
F Net Accumulation USD (H)	● G	● G	● G	● G	● G	● G	● G	● G
A Net Income GBP	● G	● G	● G	● G	● G	● G	● G	● G
F Net Income GBP	● G	● G	● G	● G	● G	● G	● G	● G

The Fund was launched on 31 October 2019.

The AFM is the Authorised Corporate Director (ACD) of the Fund, Valu-Trac Investment Management Limited (Valu-Trac). The Investment Manager is also Valu-Trac. The Investment Adviser is Gravis Advisory Limited. The sponsor of the Fund is Gravis Capital Management Limited.

It is intended that the Fund will be a PAIF at all times, and, as such, its investment objective is to carry on Property Investment Business and to manage cash raised from investors for investment in the Property Investment Business. In so doing the objective of the Fund is to provide some capital growth through market cycles (7 years) whilst delivering a periodic income.

The Fund seeks to achieve its objective primarily (70% +) by investing in a diversified portfolio of transferable real estate securities such as real estate investment trusts ("REITs") listed on the London Stock Exchange, real estate operating companies ("REOCs"), bonds and equities. The Fund seeks to minimise exposure to the retail property sector.

In addition to investing in REITs and REOCs the Fund may also invest in other transferable securities (including convertible securities and rated and unrated debt securities of real estate companies), bonds, collective investment schemes, transferable securities, money market instruments, deposits, cash and near cash.

Save as noted above, there is no particular emphasis on any geographical area or industry or economic sector.

At and for the year ended			
	31-Dec-22	31-Dec-21	30-Nov-20
Value of Fund (per Performance Record)			
A Net Accumulation GBP	£24.29m	£25.59m	£5.67m
F Net Accumulation GBP	£25.73m	£33.49m	£17.08m
F Net Accumulation EUR (H)	€0.08m	€0.08m	€0.06m
F Net Accumulation USD (H)	\$0.44m	\$0.33m	\$0.05m
A Net Income GBP	£14.26m	£15.03m	£4.17m
F Net Income GBP	£5.51m	£5.61m	£3.57m
Shares outstanding			
A Net Accumulation GBP	25.94m	19.36m	5.69m
F Net Accumulation GBP	26.88m	24.96m	17.02m
F Net Accumulation EUR (H)	0.08m	0.05m	0.05m
F Net Accumulation USD (H)	0.38m	0.21m	0.04m
A Net Income GBP	16.88m	12.13m	4.33m
F Net Income GBP	6.39m	4.46m	3.68m
NAV per share			
A Net Accumulation GBP	93.63p	132.19p	99.65p
F Net Accumulation GBP	95.70p	134.18p	100.40p
F Net Accumulation EUR (H)	109.74c	155.78c	117.14c
F Net Accumulation USD (H)	114.74c	157.90c	117.50c
A Net Income GBP	84.45p	123.93p	96.38p
F Net Income GBP	86.31p	125.77p	97.14p
Dividend per share			
A Net Accumulation GBP	4.07p	3.68p	3.25p
F Net Accumulation GBP	4.12p	3.72p	3.26p
F Net Accumulation EUR (H)	4.72c	4.33c	2.32c
F Net Accumulation USD (H)	4.66c	4.17c	2.20c
A Net Income GBP	3.74p	3.51p	3.21p
F Net Income GBP	3.81p	3.55p	3.22p

Ongoing charges			
A Net Accumulation GBP	1.25%	1.13%	0.70%
F Net Accumulation GBP	0.55%	0.43%	0.00%
F Net Accumulation EUR (H)	0.55%	0.43%	0.00%
F Net Accumulation USD (H)	0.55%	0.43%	0.00%
A Net Income GBP	1.25%	1.13%	0.70%
F Net Income GBP	0.55%	0.43%	0.00%
Net (losses) / gains before expenses			
Capital (losses) /gains	(£29.53m)	£14.18m	(£1.08m)
Total Net (losses) / gains	(£26.64m)	£15.87m	(£0.21m)

Source: Valu-Trac Administration services

Share classes A Accumulation GBP, F Accumulation GBP, A Income GBP and F Income GBP launched 31 October 2019

Share classes F Accumulation EUR (H) and F Accumulation USD (H) launched 02 April 2020

In carrying out the assessment of value the following criteria were considered:

1. Quality of service

The AFM considers that a good level of service was provided to shareholders by all parties involved commensurate to the amount paid by the Fund for those services. The AFM monitors the following operational services:

Depository – NatWest Trustee and Depository Services Limited

Custodian – RBC Investor Services Fund, UK branch (RBC)

The external audit is conducted by Johnston Carmichael LLP.

These services are essential in ensuring that the Fund operated efficiently and in the case of the Depository and Custodian the service is supervised on an on-going daily basis by the AFM. As a shareholder this means that you can be certain that your requests such as investment and redemption of the Fund's units will always be carried out exactly as set out in the documentation.

Valu-Trac does not delegate any of the core functions of the Fund such as Fund administration, Fund accounting and transfer agency. This means that the AFM directly employs and supervises the individuals who are carrying out this work and that those undertaking the work are appropriately qualified and experienced. Due to this high level of supervision and control of these functions the AFM believes that the shareholders can be certain that their instructions will be carried out efficiently and that the reporting they receive is timely and focused. This also has ensured that the AFM has responded to any enquiries from shareholders fully and promptly.

The AFM has also assessed the costing of each of these services to comparable providers and has concluded that the Fund is receiving good value for the services provided by each party (detailed analysis on how we have arrived at this conclusion can be provided on request).

2. Performance

The AFM has assessed performance of the Fund net of all the charges that are outlined in its prospectus. The Fund does not have a specific benchmark. However, the performance of the Fund can be assessed as to whether the objective has been achieved, particularly to provide some capital growth through market cycles (7 years) whilst delivering periodic income. To aid in this, the Fund performance is compared to the performance of the IA Property Other sector (the comparator). It should be noted that the Fund has only been in existence for a little over 3 years.

To show capital growth, the total returns generated in the period under review and since inception are shown in the table below. Note these returns are after operating costs, including the fee paid to the investment adviser and transaction costs which vary depending on the class of shares, this is discussed more in the Classes of Units section below. Please note that, for the € hedged and \$ hedged share classes, no directly appropriate comparator may be available. The performance of these share classes, therefore, has been partly assessed in the context of the return(s) generated by the relevant, un-hedged share class, after making a reasonable allowance for current hedging arrangements and for hedging costs.

	2022 Performance	2022 Comparator Performance	Since Inception Performance (p.a)	Since Inception Comparator Performance (p.a)
A Net Accumulation GBP	(29.17%)	(19.06%)	(2.05%)	(2.76%)
F Net Accumulation GBP	(28.67%)	(19.06%)	(1.38%)	(2.76%)
F Net Accumulation EUR (H)	(29.55%)	n/a	3.44%	n/a
F Net Accumulation USD (H)	(27.34%)	n/a	5.12%	n/a
A Net Income GBP	(29.17%)	(19.06%)	(2.04%)	(2.76%)
F Net Income GBP	(28.67%)	(19.06%)	(1.37%)	(2.76%)

Source: Morningstar

Share classes A Accumulation GBP, F Accumulation GBP, A Income GBP and F Income GBP launched 31 October 2019

Share classes F Accumulation EUR (H) and F Accumulation USD (H) launched 02 April 2020

To show income being delivered, the dividend yields in the period under review and since inception against the comparator are shown below.

	2022 Dividend Yield	Since Inception Dividend Yield (p.a)	Target Dividend Yield
A Net Accumulation GBP	3.06%	3.34%	2.11%
F Net Accumulation GBP	3.07%	3.38%	2.11%
F Net Accumulation EUR (H)	3.01%	3.99%	2.11%
F Net Accumulation USD (H)	2.95%	3.88%	2.11%
A Net Income GBP	3.02%	3.19%	2.11%
F Net Income GBP	3.03%	3.22%	2.11%

The AFM has also assessed the investment risk within the Fund. The AFM has concluded that the investment risk is not out of keeping for an actively managed Fund of this type. Further details may be provided upon request.

3. AFM costs - general

The costs charged during the year ended 31 December 2022 were as follows:

	£	%age of average Fund value
Sponsor's fee	219,085	0.28%
Sponsor's rebate	(57,468)	(0.07%)
Investment Manager's fee	35,606	0.04%
ACD fee	26,965	0.03%
Depositary fees	29,105	0.04%
Audit fee	10,406	0.01%
FCA fee	48	0.00%
Safe custody fee	3,180	0.00%
Transaction charges (custodian)	1,641	0.00%
Other expenses	14,135	0.02%
Total Costs	282,703	0.35%

Total losses for the year (capital and revenue) less costs were £26.9m. There was no taxation.

The Sponsor has, with the agreement of the AFM, undertaken that if the total Ongoing charges figure (OCF) of the Fund excluding the costs of the underlying holdings exceeds 0.70%, the Investment Adviser shall reimburse the Fund for an amount which, when deducted from the operating costs incurred by the Fund during the relevant accounting period, would result in the Fund having a total OCF equal to the stated annual management charge for each class in the relevant accounting period. There were no preliminary charges, redemption charges paid by shareholders during the period. No dilution levies were paid in the period under review.

It should be noted that the prospectus does not allow for redemption charges however, the Fund operates a dilution adjustment also known as swing pricing. This means that the daily price of the Fund is swung up or down, depending on whether there are net inflows or outflows respectively. This means that the costs of transactions in the underlying investments of the Fund are borne by those entering or exiting, rather than affecting the returns of existing shareholders. The dilution adjustment will be calculated by reference to the costs of dealing in the underlying investments of that Fund, including any dealing spreads, and these can vary with market conditions. The AFM estimates that the estimated range of this adjustment will typically fall in the range of 0.01% to 0.75% when buying or selling Shares, with a maximum of 1.00%.

The AFM has considered the costs charged to the Fund by comparing the Ongoing Charges of the share classes to the average OCF of the largest 10 funds in the IA Property Other sector, retail classes where available. This is shown below:

	Ongoing Charges
A Net Accumulation GBP	1.25%
F Net Accumulation GBP	0.55%
F Net Accumulation EUR (H)	0.55%
F Net Accumulation USD (H)	0.55%
A Net Income GBP	1.25%
F Net Income GBP	0.55%
IA Property Other Sector (average of 10 largest funds)	1.27%

Source - Morningstar

The AFM has concluded the costs, and in particular the Sponsor's fee is appropriate and justified for the Fund. It should be noted that a significant portion of the Ongoing Charges is the costs of underlying trusts it holds at 0.55%. Excluding this the Ongoing Charges would be 0.70% for the A Classes and 0.00% for the F Class share classes. Section 7 discusses the difference in the annual management fee charged to the two share classes.

4. Economies of scale

The AFM has assessed to what extent it has been able to achieve any savings as a result of economies of scale. Where any such savings have been made this has in every case been passed on to the shareholders. An example of this is the depositary fees charged being on a sliding scale so reduce in cost as the Fund exceeds certain thresholds. As the AFM grows its total assets across all schemes it uses this purchasing power to benefit all schemes.

5. Comparable market rates

The AFM has compared the charges of this Fund with that of comparable funds. The AFM selected funds that are classified in the IA Property Other sector along with similar style funds that the AFM administer. The AFM believes that the shareholders of the Fund are not achieving efficient market rates as a whole and are high as discussed in section 3. As the AFM assets grow in total it continues to strive for extra efficiencies wherever this can be achieved for all of its schemes.

6. Comparable services

The services provided to this Fund and the costs are also comparable amongst other similar funds operated by the AFM and is aligned with its normal operating model.

7. Classes of units

There are 6 share classes, split between F shares and A shares;

	At and for the period ended		
	31 December 2022	31 December 2021 [^]	30 November 2020 [^]
Ongoing charges			
F Class	0.55%	0.43%	0.00%
A Class	1.25%	1.13%	0.70%
[^] Annualised			

The Ongoing Charge for 2022 and 2021 appears to be higher than 2020, due to the inclusion of the costs of underlying Trusts in which the Fund invests, and which were not included in 2020 calculations. Excluding these, the Ongoing Charges of the Fund remain capped at 0.00% for the F share Class and 0.70% for the A share Class as shown in 2020.

The annual management charge which pays the Sponsor's fee, Investment Managers fee and Manager's fee is 0.00% for the F Class and 0.70% for the A Class. The F shares are only available to the VT Gravis UK Listed Property (Feeder) Fund or at the AFM's discretion.

CONCLUSION

As mentioned in the introduction, we have rated the Fund based on a 'traffic light' assessment system. This is shown in the table below, where green (G) indicates good value; amber (A) indicates room for improvement, and red (R) indicates poor value.

	Quality of Service	Performance	AFM costs - general	Economies of scale	Comparable market rates	Comparable services	Classes of units	Overall
VT Gravis UK Listed Property (PAIF) Fund								
A Net Accumulation GBP	● G	● G	● G	● G	● G	● G	● G	● G
F Net Accumulation GBP	● G	● G	● G	● G	● G	● G	● G	● G
F Net Accumulation EUR (H)	● G	● G	● G	● G	● G	● G	● G	● G
F Net Accumulation USD (H)	● G	● G	● G	● G	● G	● G	● G	● G
A Net Income GBP	● G	● G	● G	● G	● G	● G	● G	● G
F Net Income GBP	● G	● G	● G	● G	● G	● G	● G	● G

In taking all of these criteria into consideration the AFM concludes that in assessing whether the payments out of the scheme property as set out in the prospectus are justified in the context of the overall value delivered to shareholders.

Recent Fund performance has been weak, both in absolute terms and relative to benchmark. However, where applicable, longer-term performance remains ahead of benchmark. Dividend yields also remain favourable in comparison to peers.

Overall, the AFM concludes that the shareholders of VT Gravis UK Listed Property (PAIF) Fund are receiving good value.

04 April 2023