GRAVIS UK INFRA

QUARTERLY FACTSHEET 31 MARCH 2022

OVERVIEW

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

PERFORMANCE CHART

VT Gravis UK Infrastructure Income Fund – C Acc GBP (Total Return after charges)
25/01/2016 – 31/03/2022

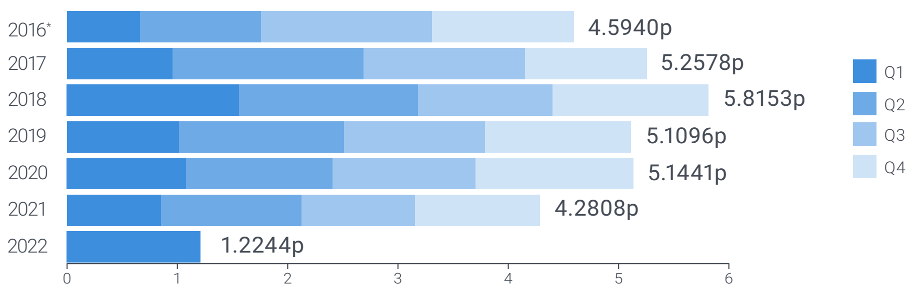
RETURNS

	MARCH 2022	3 MONTHS	12 MONTHS	36 MONTHS	SINCE INCEPTION	VOLATILITY
VT UK IIF	3.91%	2.50%	13.85%	23.50%	55.38%	8.83%
MSCI UK	2.04%	4.75%	19.07%	15.67%	62.94%	16.89%

Past performance is not necessarily a guide to future performance.
Fund launched on 25 January 2016.
Fund performance is illustrated by the C GBP Net Accumulation share class.

DIVIDENDS

Dividends paid net of charges since inception to 31 March 2022 for C GBP Income share class.



* Part period from launch on 25 January 2016.

Fund information

Fund name	VT Gravis UK Infrastructure Income Fund
Regulatory status	FCA Authorised UK UCITS V OEIC
Sector	IA Infrastructure
Launch date	25 January 2016
Fund size	£866m
Share classes	Income & Accumulation Clean & Institutional (£, $, €)
Min. investment	C: £1,000 I: £5,000,000
Net Asset Value per share as at 31 March 2022	C Acc (£): 155.38p C Inc (£): 116.31p I Acc (£): 156.66p I Inc (£): 116.40p
Trailing 12 month net yield[3] as at 31 March 2022	C: 4.00% I: 4.09%
Charges[2]	C: 0.75% pa I: 0.65% pa
Dividend pay dates	end of Jan, Apr, July, Oct
Classification	Non-complex
£ ISINs	C Acc: GB00BYVB3M28 C Inc: GB00BYVB3J98 I Acc: GB00BYVB3T96 I Inc: GB00BYVB3Q65

1. This is an unofficial target and there is no guarantee it will be achieved. Per annum by reference to launch price of £1.00 per unit, payable quarterly, one month in arrears.
2. The OCF for all share classes is capped at the AMC (excluding underlying fund holding charges and dealing costs from EMX and Calastone) and any costs in excess of the OCF/AMC will be paid by the Investment Adviser.
3. Published dividends are net of charges which are taken from income.

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

DYNAMIC PLANNER PROFILED 4 †

RSMR RATED FUND

ELITE RADAR

†Independently risk-rated and assessed as Lowest Medium Risk

FUND ADVISER'S REPORT

Momentum stalled in the early stages of 2022 but a sharp rally in March meant that the strategy was able to build upon the strong performance achieved in 2021. During the period, the Fund recorded a total return of 2.50% and closed the first quarter at a new all-time high (C Accumulation GBP).

Significant contributions to performance originated from within similar segments of the portfolio when compared with the previous quarter. Renewable energy generators benefitted from tailwinds to their cash flows and valuations resulting from the high inflationary and electricity price environment – compounded by geopolitical events that unfolded during the period. This sizeable segment of the portfolio led the gains while on an individual basis, the likes of Foresight Solar and Greencoat UK Wind were among the best performing companies across the broader portfolio. Regulated utilities also performed well, and within this grouping National Grid once again delivered very strong positive returns. The company announced the sale of a 60% equity interest in its UK gas transmission and metering business to a consortium of investors led by Macquarie Asset Management. The deal is at a very attractive price for National Grid and considerably above the valuation suggested when a potential sale of the assets was originally proposed. We note the consortium of acquirers includes a UK listed infrastructure CEIC, which is not held by the Fund at this time.

Overall, company returns were more skewed when compared with the prior period, with a greater number of detractors – albeit very modest in each instance. The most significant declines were recorded by debt-related investments including the portfolio's direct bonds and Sequoia Economic Infrastructure. Rate expectations are the likely driver here, but it is worth highlighting that Sequoia (a top five position in the Fund) maintains a portfolio of debt instruments that is relatively short duration in nature and benefits from an approximate 50% exposure to floating rate debt instruments. So, at a fundamental level, the company's portfolio should not prove overly sensitive to movements in interest rates.

As noted above, recent geopolitical events have exacerbated stresses already evident in the UK (and global) energy markets and the influence of higher energy prices has further compounded near-term inflationary pressures. These dynamics have a bearing on the Fund from several angles. Firstly, the subject of energy security has shot up the political agenda and the UK government is alert to the fact that more localised renewable energy generation capacity can reduce risks associated with importing gas, for example. We therefore expect to see an acceleration in renewables investment - a move that would sync well with the country's "net-zero" ambitions and provide investment opportunities for many of the listed renewable energy companies held within the Fund. It should also benefit those infrastructure companies involved in transmission and grid services such as from offshore wind projects and energy storage solutions. In the short term, the high electricity price environment provides a tailwind for revenues derived from merchant power sales – an area the Fund proactively tilted more towards in recent months, as noted in our December commentary. The more persistent higher prices are, the greater the prospect for companies to lock in attractive prices for power to be sold in the next few years.

The broader influence of inflation is double-edged, however, since it will necessitate intervention in the form of monetary action. Indeed, the Bank of England's Monetary Policy Committee increased rates twice during the period, taking the base rate from 0.25% to 0.75%. More raises are anticipated and we believe that, to a degree, there is a buffer within overall discount rates to absorb higher rates. For some companies, cash balances held at SPV level could benefit from a higher deposit rate.

During the period the Fund added incrementally to existing positions, capitalising on softer pricing during January and February in particular.

Investment Adviser

Gravis Advisory Limited is owned and managed by Gravis Capital Management Ltd ("Gravis"). Gravis was established in May 2008 as a specialist investor in infrastructure and now manages c.£3bn of assets in the sector in the UK. GCM is authorised and regulated by the FCA.

Funds under management include the FTSE 250 companies GCP Infrastructure Investments Ltd and GCP Student Living Plc, and GCP Infrastructure Income Fund Ltd. Gravis has won numerous awards for their alternative approach to long term, secure, income-generative investments.

Gravis Advisory Limited is Investment Adviser to the c.£866m VT Gravis UK Infrastructure Income Fund, the c.£424m VT Gravis Clean Energy Income Fund, the c.£89m VT Gravis UK Listed Property (PAIF) Fund and the c.£42m VT Gravis Digital Infrastructure Income Fund.

Noteworthy transactions included a meaningful increase in the BBGI position and the participation in follow-on equity raises from Cordiant Digital Infrastructure and Digital 9 Infrastructure. The opportunity was taken to average down in Smart Metering Systems and a process of reducing exposure to National Grid was initiated following a protracted period of strong share price performance and a significant re-rating. Sales continued into the early stages of April at prices in excess of 1,200p.

First quarter dividend announced

Income distributions for the first quarter of 2022, payable in April, amounted to 1.2244p per C Income GBP unit and 1.2534p per I Income GBP unit. The considerable improvement year-on-year reflects the embedded potential for cash flows to inflate over time as well as the general resilience in the services and facilities provided by portfolio companies. The trailing 12-month yield on the C Income GBP units is 4.00%.

Will Argent
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CORRELATION, PERFORMANCE AND VOLATILITY COMPARISON

25 January 2016 – 31 March 2022

	CORRELATION	RETURN	VOLATILITY	YIELD
VT UK IIF	-	55.4%	8.8%	3.9%
MSCI UK	0.44	62.9%	16.9%	3.7%
MSCI World	0.25	143.1%	16.1%	1.9%
MSCI World Infrastructure	0.24	67.4%	14.5%	3.9%
UK 10 Yr Gilts	0.02	-5.1%	6.0%	1.6%
MSCI World vs MSCI World Infrastructure	0.82			

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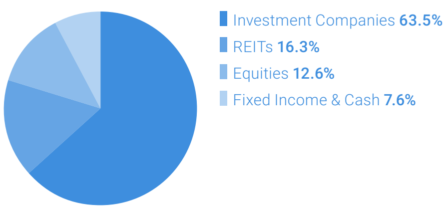
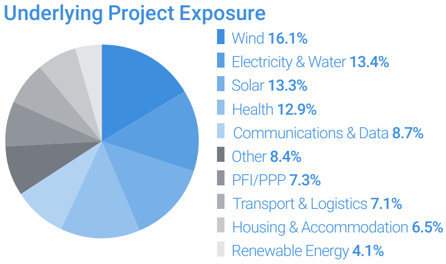
PORTFOLIO

Sectors



Underlying Project Exposure



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Dealing

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Available on all platforms

Suitable for:

Direct investors	Offshore bonds
SIPPs	Companies
ISAs	QROPS
Charities	

TOP 10 HOLDINGS ON 31 MARCH 2022

HOLDING	WEIGHT
Renewables Infrastructure Group Ltd	7.1%
Greencoat UK WIND PLC	6.8%
Sequoia Economic Infrastructure Income Fund Ltd	6.5%
HICL Infrastructure Company Ltd	6.0%
GCP Infrastructure Investments Ltd	5.4%
National Grid PLC	4.8%
John Laing Environmental Assets Group Limited	4.8%
GCP Asset Backed Income Fund Limited	4.5%
Primary Health Properties PLC	4.3%
Foresight Solar Fund Limited	3.5%

DISCRETE 5 YEAR PERFORMANCE

	2017	2018	2019	2020	2021
VT Gravis UK Infrastructure Income Fund (C GBP Acc)	4.22%	1.84%	19.35%	-3.36%	11.04%
MSCI UK	11.71%	-8.82%	16.37%	-13.23%	19.59%
MSCI World	11.80%	-3.04%	22.74%	12.32%	22.94%
MSCI World Infrastructure	0.26%	0.57%	16.91%	-2.96%	7.29%

* Part period from launch on 25 January 2016.

DISCLAIMER