

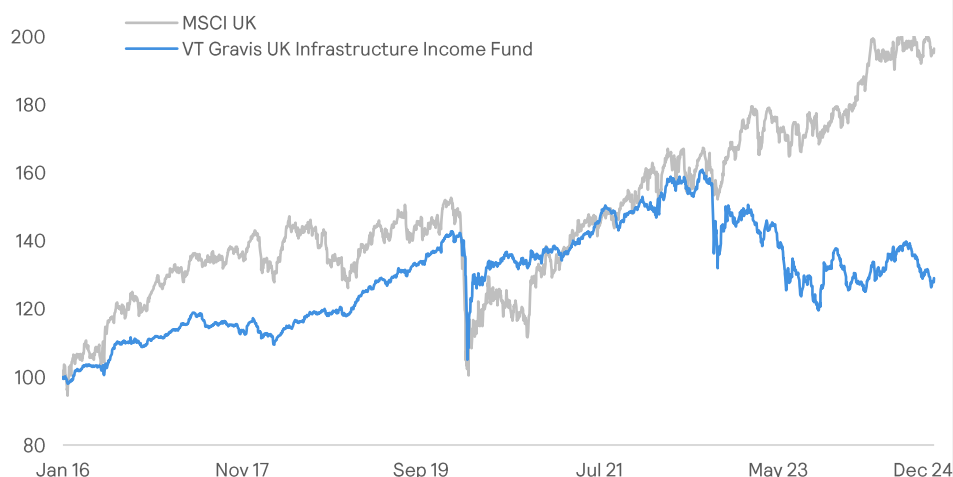
### FUND OBJECTIVES

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

### PERFORMANCE CHART

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

25.01.2016 – 31.12.2024



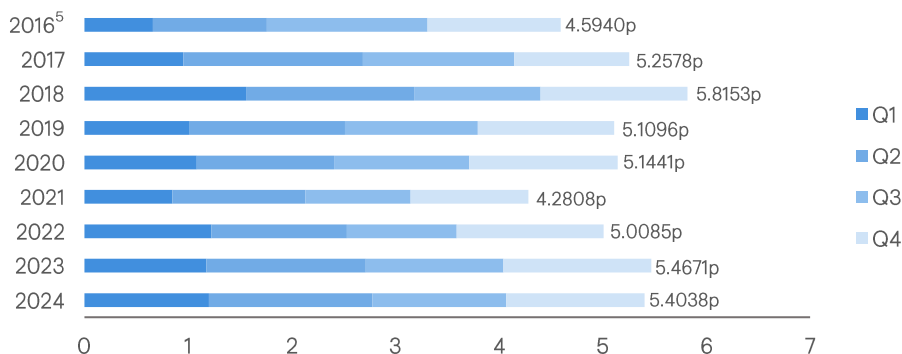
### RETURNS

	SINCE INCEPTION	7 YEAR	5 YEAR	3 YEAR	12 MONTH	3 MONTH	YTD	VOLATILITY <sup>4</sup>
VT Gravis UK Infrastructure	29.04%	11.02%	-8.66%	-14.87%	-6.34%	-6.97%	-6.34%	9.94%
MSCI UK	96.40%	39.03%	31.03%	26.27%	9.46%	-0.20%	9.46%	15.55%

Past performance is not necessarily indicative of future results  
Fund launched on 25 January 2016.  
Fund performance is illustrated by the C GBP Net Accumulation share class.

### DIVIDENDS

Dividends paid since inception for C GBP Income share class.



### Fund overview

<b>Name</b>	VT Gravis UK Infrastructure Income Fund
<b>Regulatory Status</b>	FCA Authorised UK UCITS V OEIC
<b>Sector</b>	IA Infrastructure
<b>Launch Date</b>	25 January 2016
<b>Fund Size</b>	£524.11m
<b>Number of Holdings</b>	31
<b>Share Classes</b>	Income and Accumulation Clean & Institutional (£,\$,€)
<b>Min. Investment</b>	C: £1,000
<b>Net Asset Value per share</b>	C Acc (£): 129.04p C Inc (£): 82.67p
<b>Trailing 12 month net yield<sup>2</sup></b>	C Inc: 6.54%
<b>Annual Management Charge</b>	C: 0.75%
<b>Capped fund OCF<sup>3</sup></b>	C: 0.75%
<b>Dividends Paid</b>	End of Jan, Apr, Jul, Oct
<b>Classification</b>	Non-complex
<b>Liquidity</b>	Daily dealing
<b>ISINs</b>	C Acc (£): GB00BYVB3M28 C Inc (£): GB00BYVB3J98

1. This is an unofficial target and there is no guarantee it will be achieved. Per annum by reference to launch price of £1.00 per unit, payable quarterly, one month in arrears.

2. Published dividends are net of charges which are taken from income. C Inc share class.

3. OCF for all share classes is capped at the AMC, excluding EMX and Calastone, and any costs in excess of the OCF/AMC will be paid by the Investment Manager.

4. Using the annualised standard deviation of daily returns.

5. Part period from 25.01.16 – 31.03.16

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

**FUND MANAGER'S REPORT**

In a reversal of the positive momentum seen over the two preceding quarters, the strategy recorded a total return of -6.97% (C Accumulation GBP) during the fourth quarter of 2024. We believe that the macroeconomic backdrop continued to be a primary driver of sentiment towards the UK-listed infrastructure sector, rather than company-specific considerations

Although the Bank of England (BoE) reduced interest rates by a further 25bps in November, the pace of easing disappointed in relation to expectations at the start of the quarter. Labour's inaugural Budget, whilst focus was given to oversight and governance of fiscal processes, resulted in increased expectations around government borrowing requirements, put upwards pressure on gilt yields. This dynamic was further compounded by soft economic growth data, signalling the potential requirement for even more future borrowing. The reference 10-year gilt yield widened by more than 50bps in the final three months of the year to close at 4.57%.

What is positive about the Budget is that there does not appear to have been a winding back on Labour's position of putting the UK energy transition second only to economic growth. Infrastructure and Net Zero form two of the seven 'pillars' identified to support the Growth Mission and are recognised as enablers of others. The Labour government's commitment to making the UK a clean energy superpower was a positive re-enforcement. Commitments to hire 300 more planners and work with the National Energy System Operator and Ofgem to accelerate grid connections are also welcome to unlocking development of projects.

A 10-year infrastructure strategy will be published in the spring of 2025 and a 'Clean Power 2030 Action Plan' has also been committed to. Both are expected to contain greater levels of detail than has been provided in the Autumn Budget in relation to how Labour's commitment to decarbonise the electricity grid by 2030, and support wider infrastructure deployment, will be achieved. In relation to core infrastructure, the Chancellor built on Labour's manifesto commitments and announced £5bn to meet their commitment of delivering 1.5m new homes by the end of the parliament, £1.4bn to rebuild schools, and £1.2bn to deliver extra prison services. In transport, Labour have committed £1.6bn for several initiatives.

Approximately one third of underlying portfolio holdings contributed positively to performance during the quarter. Renewi delivered the highest singular performance (+26.8%) and, despite its modest allocation, the greatest contribution following news of a possible cash offer from Macquarie at 870p per share. The Renewi Board rebutted Macquarie's approach a year ago (when the suitor offered 775p per share) but the new, sweetened offer appears to have support from the Board, alongside a number of large shareholders. Macquarie is conducting due diligence, and we anticipate further news before the end of January 2025.

GCP Asset Backed Income announced and actioned a second capital distribution as part of the company's managed wind down. Approximately 18.95% of outstanding shares were compulsorily repurchased at 89.33875p, meaning shareholders have received roughly half of their capital back at a rate approximating NAV. The return of capital from GCP Asset Backed has been well managed to date and has proved accretive to Fund performance in 2024.

The cohort of renewable energy generators alongside energy efficiency and environmental infrastructure provided the greatest headwind to performance in the quarter. The Renewable Infrastructure Group, Foresight Environmental Assets, Foresight Solar, SDCL Energy Efficiency and Gresham House Energy Storage were notably weak. Greencoat UK Wind while firmer than most of its peers, cost the Fund owing to the company's large allocation within the portfolio.

Combined with companies such as Tritax BigBox REIT, HICL, International Public Partnerships and Primary Health Properties, there was a sense that larger, more liquid names in the sector suffered from high selling pressure, which led to disproportionately weaker performance as a result, rather than any specific issues. Third quarter NAV updates saw weakness at the margins, but we note that discount rates were generally unchanged. Companies may revisit discount rates for fourth quarter valuations given the increase in reference yields into year end. Helpfully, UK power prices have firmed up in recent weeks, which could provide an offsetting dynamic to any discount rate increases across the renewable generators, for example. In other infrastructure sub-sectors, we have generally seen asset transactions corroborating valuations, and this may temper any views to increase discount rates around a spike in yields that may prove relatively short-lived. Notably, water utilities to which the portfolio is exposed were buoyed by Ofwat's final determinations for the upcoming five-year regulatory period and we are hopeful that this may now provide a basis from which these companies can rally.

At the start of 2025, swap markets price in 2.5x interest rate cuts from the BoE during the year. We believe this may prove an overly hawkish view and note softer inflationary pressures and economic growth data published in January. More aggressive rate cuts, were they to transpire, should provide a tailwind for yield sensitive asset classes such as infrastructure.

**Fourth quarter distribution announced**

Income distributions for the fourth quarter of 2024, payable in January 2025, amounted to 1.3346p per C Income GBP unit and 1.3574p per I Income GBP unit. Total distributions declared during 2024 sum to 5.4038p per C Income GBP unit and 5.4950p per I Income GBP unit, representing a very marginal year-on-year reduction for each unit class. Some of the reduction owed to the dividend anticipated from one holding slipping into the first quarter of 2025.

At year end, the Fund's trailing 12-month yield was 6.54% and 6.64% for C Income GBP and I Income GBP units, respectively. The Manager believes the trailing yield provides a reasonable basis for forward year yield expectations. Vulnerable dividend policies appear to have been addressed and recalibrated (for example, that of Vodafone and Gresham House Energy Storage) and while it is too early to have high conviction, the manager anticipates that most portfolio companies will grow or at least maintain dividend distributions in 2025.

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**Investment Manager**

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

Gravis was established in May 2008 as a specialist investor in property and infrastructure and now manages c.£2bn of assets in these sectors in the UK. Gravis entered into a strategic partnership with ORIX Corporation in January 2021.

Gravis Advisory Limited is also the Investment Manager to the c.£248m VT Gravis Clean Energy Income Fund, the c.£112m VT Gravis UK Listed Property Fund and the c.£25m VT Gravis Digital Infrastructure Income Fund.

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**CORRELATION, PERFORMANCE AND VOLATILITY COMPARISON**

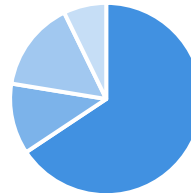
	CORRELATION	RETURN	VOLATILITY	YIELD*
VT Gravis UK Infrastructure Income Fund (C Acc)	-	29.0%	9.9%	6.3%
MSCI UK	0.39	96.4%	15.5%	3.7%
MSCI World Infrastructure	0.20	95.8%	14.0%	3.7%
UK 10 Year Gilts	0.09	-23.7%	7.2%	4.6%

Past performance is not necessarily indicative of future results. Fund launched on 25.01.16. Data as at 31.12.24. \*12m trailing net yield C Acc share class.

**TOP 10 HOLDINGS**

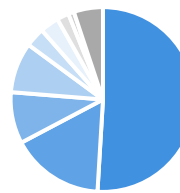
COMPANY	WEIGHTING
Greencoat UK Wind PLC	7.11%
HICL Infrastructure Company Ltd	6.98%
Sequoia Economic Infrastructure Income Fund Ltd	6.90%
Renewables Infrastructure Group Ltd	6.54%
GCP Infrastructure Investments Ltd	5.47%
Foresight Environmental Infrastructure	4.29%
International Public Partnerships Ltd	4.24%
National Grid PLC	4.08%
Primary Health Properties PLC	4.02%
3i Infrastructure PLC	3.63%

**SECURITY TYPE**



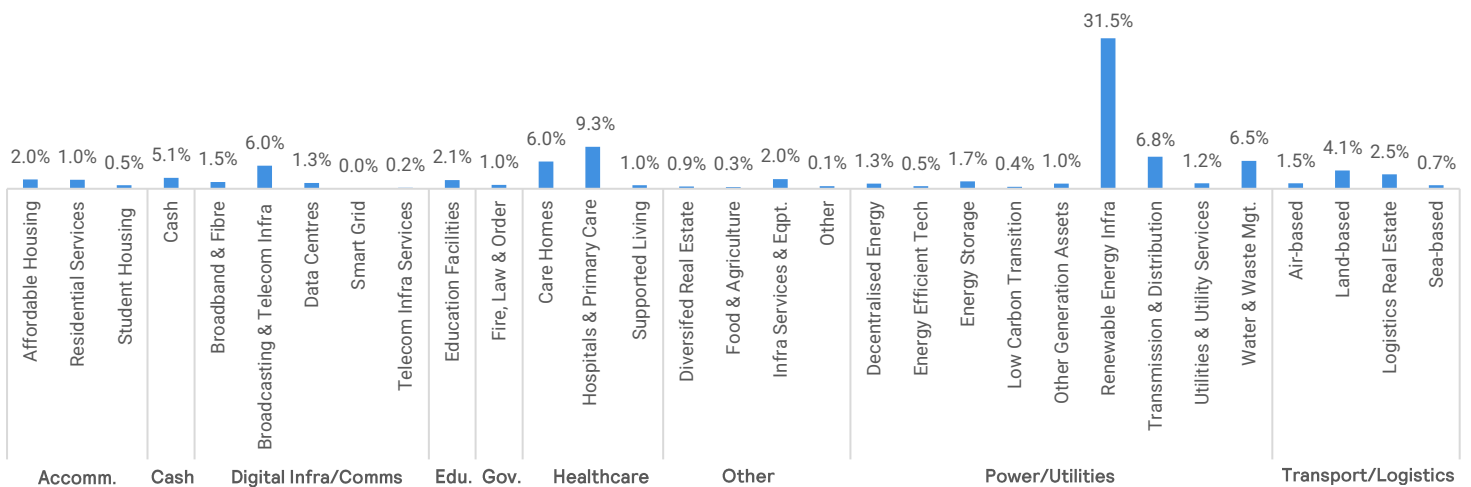
- Closed Ended Investment Companies 65.6%
- Equities 11.9%
- REITs 15.2%
- Fixed Income & Cash 7.2%

**SECTOR ALLOCATION**



- Power & Utilities 50.9%
- Healthcare 16.3%
- Digital Infrastructure & Communications 9.0%
- Transportation & Logistic Systems 8.8%
- Housing/Accommodation 3.4%
- Other 3.3%
- Education 2.1%
- Government Facilities 1.0%
- Cash 5.1%

**SUBSECTOR ALLOCATION**



**DISCRETE 7 YEAR PERFORMANCE**

	2018	2019	2020	2021	2022	2023	2024
VT Gravis UK Infrastructure Income Fund	1.84%	19.35%	-3.36%	11.04%	-3.54%	-5.77%	-6.34%
MSCI UK	-8.82%	16.37%	-13.23%	19.59%	7.15%	7.66%	9.46%
MSCI World Infrastructure	0.57%	16.91%	-2.96%	7.29%	7.26%	-2.42%	18.56%
UK 10 Year Gilts	-1.79%	2.83%	2.91%	-8.18%	-19.38%	1.17%	-6.29%

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Fund launched on 25 January 2016.  
Fund performance is illustrated by the C GBP Net Accumulation share class.

**DISCLAIMER**

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The VT Gravis UK Infrastructure Income Fund (the "Fund") is a sub-fund of VT Gravis ICVC, which is a UK UCITS scheme and an umbrella company for the purposes of the OEIC Regulations. Valu-Trac Investment Management Limited is the Authorised Corporate Director of VT Gravis Funds ICVC and GAL is the investment manager of the Fund.

Any decision to invest in the Fund must be based solely on the information contained in the Prospectus, the latest Key Investor Information Document and the latest annual or interim report and financial statements.

GAL does not offer investment advice, and this report should not be considered a recommendation, invitation or inducement to invest in the Fund. Prospective investors are recommended to seek professional advice before making a decision to invest.

Your capital is at risk and you may not get back the full amount invested. Past performance is not a reliable indicator of future results. Prospective investors should consider the risks connected to an investment in the Fund, which include (but are not limited to) exchange rate risk, counterparty risk, inflation and interest rate risk and volatility. Please see the Risk Factors section in the Prospectus for further information.

This report has been prepared by GAL using all reasonable skill, care and diligence. It contains information and analysis that is believed to be accurate at the time of publication but is subject to change without notice.

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