GRAVIS UK INFRA

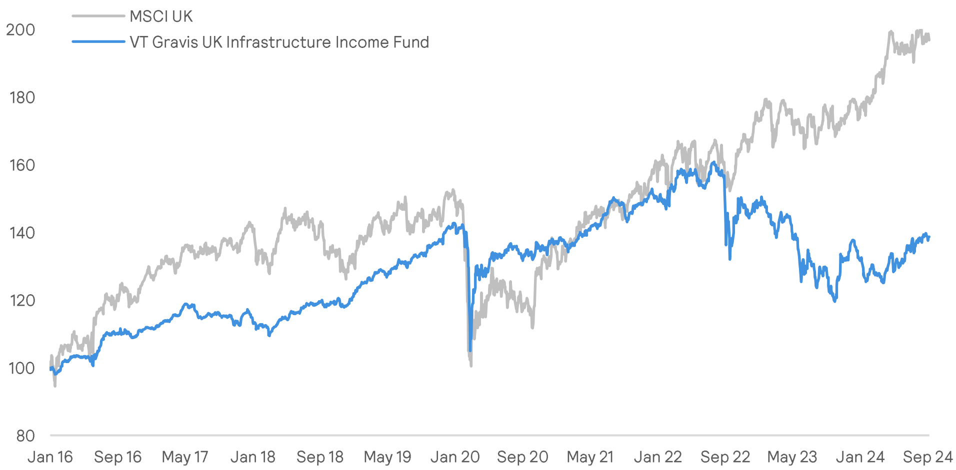
QUARTERLY FACTSHEET 30 SEPTEMBER 2024

FUND OBJECTIVES

- To deliver a regular income expected to be 5%[1] 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 – 30.09.2024



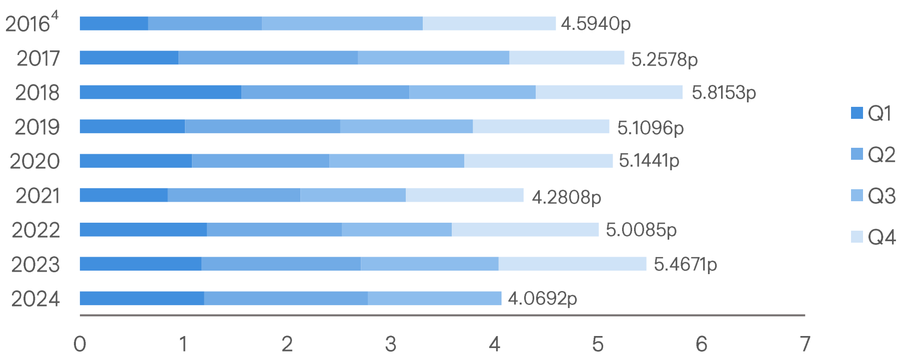
RETURNS

	SINCE INCEPTION	7 YEAR	5 YEAR	3 YEAR	12 MONTH	3 MONTH	YTD	VOLATILITY
VT Gravis UK Infrastructure	38.71%	20.25%	3.59%	-4.04%	9.64%	5.36%	0.68%	10.00%
MSCI UK	96.80%	46.07%	34.28%	33.03%	12.22%	1.73%	9.68%	15.70%

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

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	£576.20m
Number of Holdings	31
Share Classes	Income and Accumulation Clean & Institutional (£,$,€)
Min. Investment	C: £1,000
Net Asset Value per share	C Acc (£): 138.71p C Inc (£): 90.30p
Trailing 12 month net yield[2]	C Inc: 6.09%
Annual Management Charge	C: 0.75%
Capped fund OCF[3]	C: 0.75%
Dividends Paid	End of Jan, Apr, Jul, Oct
Classification	Non-complex
Liquidity	Daily dealing
ISINs	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. The 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 Adviser.
4. Part period from 25.01.16 – 31.03.16
All data, source: Valu-Trac Investment Management and MSCI Inc and Reuters.

FUND ADVISER'S REPORT

The Fund gained 5.36% (C Accumulation GBP) during the third quarter of 2024, taking performance into positive territory year-to-date.

The Bank of England cut base rates by 25bps – the first pivot on interest rates since the tightening cycle began in December 2021 – as had been widely anticipated. Further rate cuts are expected later in the year. This provided a positive backdrop for the UK-listed infrastructure sector and the significant majority of portfolio holdings contributed positively during the period.

Notable strength was seen in National Grid (16.7% total return), Target Healthcare REIT (16.6% total return), Residential Secure Income REIT (15.7% total return), Cordiant Digital Infrastructure (13.7% total return), Primary Health Properties REIT (13.2% total return) and The Renewables Infrastructure Group (11.3% total return). Elsewhere, high single-digit returns were commonplace. A slew of second quarter updates and half-year results was announced during the period, which generally pointed to robust asset performance across a range of REITs (where strong rental growth is a prevailing feature), social infrastructure companies including HICL Infrastructure and International Public Partnerships, and those with greater focus on economic infrastructure, such as 3i Infrastructure and Cordiant. Diverging from our expectations, renewable energy generators disappointed with NAV updates that were, broadly speaking, impacted by lower price forecasts (including weakness in price expectations for guarantee of origin certificates) and lower generation vs. budget. Nevertheless, share price performance was positive across the sector and companies held within the portfolio contributed significantly to overall Fund returns. We observe ongoing geopolitical tensions in the Middle East and Russia, for example, and would hypothesise that such events are more likely to drive upside risk to energy prices in coming months.

In contrast to the broader portfolio, two clear outliers recording losses were Digital 9 Infrastructure (0.32% portfolio weighting) and Gresham House Energy Storage (0.99% portfolio weighting). The former registered a 26.8% decline after the company anticipated a material NAV reduction in the region of 43%/45 pence per share driven by "a re-assessment of the assumptions relating to the availability of finance for underlying portfolio companies and its impact on portfolio companies' growth outcomes in the valuation models." The results were released on the final day of the quarter and in the event showed a marginally smaller reduction in NAV than had been anticipated. Shareholders voted in March to approve the sale of the company's assets with a view to returning capital and the company has initiated the sales process for a number of portfolio assets, receiving some early-stage non-binding offers. Gresham House Energy Storage, following a very strong second quarter share price performance, gave back 24.75% in the third quarter. The company also reported a double-digit percentage decline in NAV over the first half of the year. Revenue uncertainty within this emerging battery energy storage asset class continues to play a key part in driving volatile share price performance but in the Adviser's view, there is potential to recapture significant value from the position from prevailing levels. The requirement for, and importance of, storage capacity should not be overlooked as the UK incorporates more intermittent renewable energy generation in the supply mix. It seems reasonable to expect companies like Gresham House (and peers) that are trading at share prices that imply a value below replacement cost should be rated more firmly.

The share price performance experienced by investors and negative movements in asset valuations at Digital 9 and Gresham House Energy Storage are quite extreme in the context of the Fund's typical portfolio company. Whilst in both cases share price performance has been very poor, exposure at Fund level is very limited and has therefore detracted only modestly from overall performance.

It was noteworthy that specialist healthcare REIT, Assura Group, announced the acquisition of a portfolio of private hospitals from Northwest Healthcare Properties for £500m. The portfolio of 14 assets adds to existing private hospital assets and will increase rent roll exposure to private healthcare from 10% to 25%, extend the portfolio's WAULT from 10.8 years to 13.0 years, and increase the proportion of inflation-linkage. The yield on cost of the target portfolio is 5.9%. The transaction will increase leverage at Assura, but the company has identified assets for disposal that will help to shore up the balance sheet in time. We are supportive of Assura's moves to diversify the portfolio further into private healthcare, which represents a growing and increasingly important area within healthcare provision, whilst also furthering the company's differentiation from peer, Primary Health Properties. Assura recorded a 7.5% total return during the third quarter.

During the period, a new Labour government was voted into power. Encouragingly, it does not share the ideology of Corbyn/McDonnell, for example, in the sense that it does not represent the same threat to private ownership and investment in public infrastructure assets. Labour picks up the baton with a similar ambition to "get Britain building". The government is in no doubt this will require private investment and could provide opportunities within the water industry (supply and wastewater), social infrastructure spanning prisons, justice, education and healthcare, alongside significant investment in the grid and energy generation infrastructure. However, the available funding support frameworks remain quite limited (e.g. CFD or RAB) and it will be interesting to watch for developments on this front.

The new government has acted swiftly with the implementation of an energy policy that is more ambitious than that of the previous Conservative government. Labour aims to double onshore wind capacity (note that an effective ban on onshore wind development in England has been lifted), triple solar capacity and quadruple offshore wind capacity by 2030. A new National Wealth Fund has been launched to help decarbonise heavy industry in Britain will begin funding immediately through the UK Investment Bank with an intention to drive additional private capital into low carbon investment objectives. Great British Energy has also been launched with an aim to accelerate the deployment of mature and new technologies.

Third quarter distribution announced

Income distributions for the third quarter of 2024, payable in October 2024, amounted to 1.2897p per C Income GBP unit and 1.3121p per I Income GBP unit. Overall distributions announced for the first nine months of 2024 are tracking slightly ahead when compared with the same period in 2023. As at 30th September, the Fund's trailing 12-month yield was 6.09% for the C Income GBP units and 6.18% for the I Income GBP units.

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

Gravis Capital Management was established in May 2008 as a specialist investor in property and infrastructure and now manages c.£2.5bn 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 Adviser to the c.£308m VT Gravis Clean Energy Income Fund, the c.£116m VT Gravis UK Listed Property Fund and the c.£28m VT Gravis Digital Infrastructure Income Fund.

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Available on all major platforms

CORRELATION, PERFORMANCE AND VOLATILITY COMPARISON

	CORRELATION	RETURN	VOLATILITY	YIELD*
VT Gravis UK Infrastructure Income Fund (C Acc)	–	38.7%	10.0%	5.9%
MSCI UK	0.39	96.8%	15.7%	3.6%
MSCI World Infrastructure	0.20	92.0%	14.0%	3.9%
UK 10 Year Gilts	0.08	-21.0%	7.3%	4.0%

Past performance is not necessarily indicative of future results. *Fund launched on 25 January 2016. Data as at 30 September 2024. *12m trailing net yield C Acc share class.*

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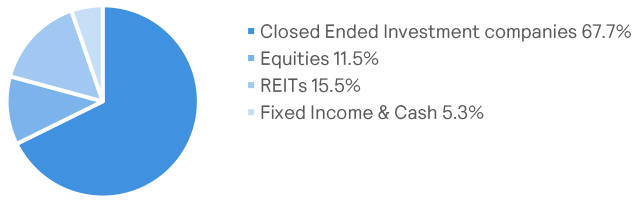
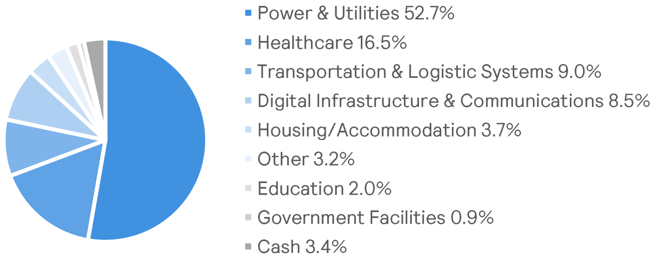
TOP 10 HOLDINGS

COMPANY	WEIGHTING
Renewables Infrastructure Group Limited	7.19%
HICL Infrastructure Fund Limited	7.07%
Greencoat UK WIND PLC	7.05%
Sequoia Economic Infrastructure Fund Ltd	6.74%
GCP Infrastructure Investments Ltd	5.55%
John Laing Environmental Assets Group Limited	4.84%
Primary Health Properties PLC	4.17%
National Grid PLC	4.12%
International Public Partnerships Ltd	3.82%
Foresight Solar Fund Limited	3.75%

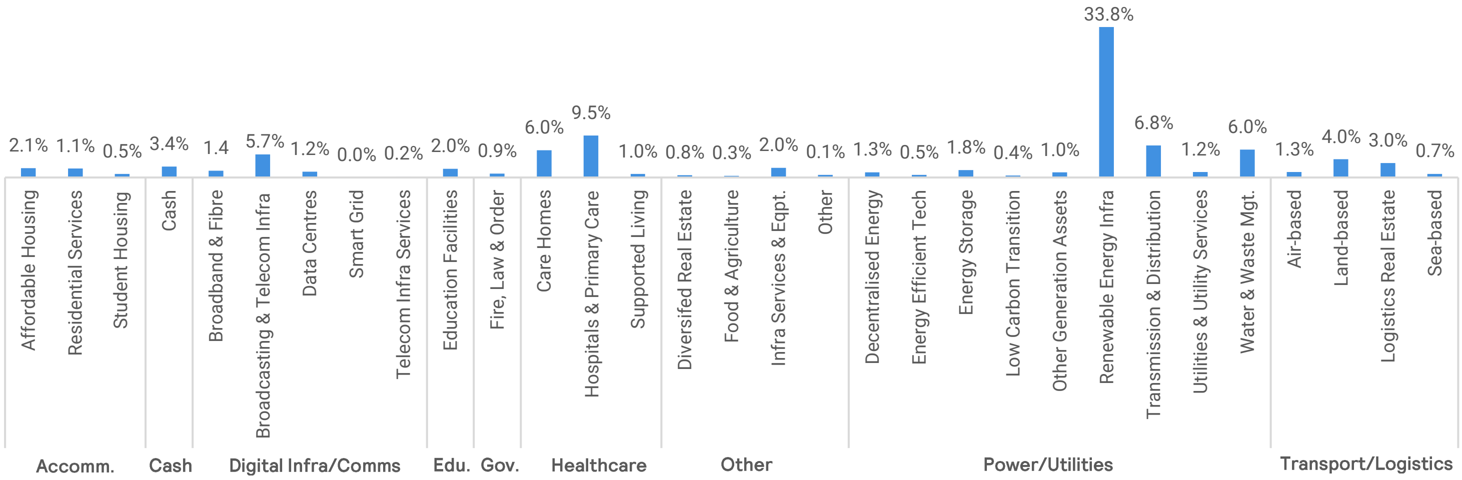
SECURITY TYPE



SECTOR ALLOCATION



SUBSECTOR ALLOCATION



DISCRETE 7 YEAR PERFORMANCE

	2017	2018	2019	2020	2021	2022	2023
VT Gravis UK Infrastructure Income Fund	4.22%	1.84%	19.35%	-3.36%	11.04%	-3.54%	-5.77%
MSCI UK	11.71%	-8.82%	16.37%	-13.23%	19.59%	7.15%	7.66%
MSCI World Infrastructure	0.26%	0.57%	16.91%	-2.96%	7.29%	7.26%	-2.42%
UK 10 Year Gilts	-0.68%	-1.79%	2.83%	2.91%	-8.18%	-19.38%	1.17%

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