

GRAVIS

CLEAN
ENERGY

VT GRAVIS CLEAN ENERGY INCOME FUND

MARCH 2024

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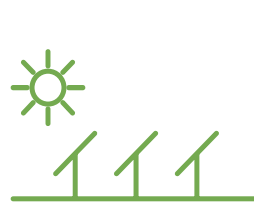
INTRODUCTION TO CLEAN ENERGY



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WHAT IS CLEAN ENERGY?

The sustainable energy association defines clean energy as ‘energy derived from renewable, zero-emissions sources (“renewables”), as well as energy saved through energy efficiency (“EE”) measures’.



Solar



Wind



Hydro



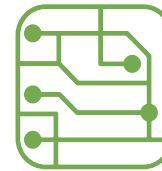
Energy Storage



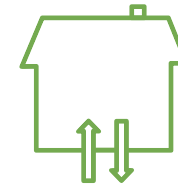
Energy
Efficiency



Bioenergy



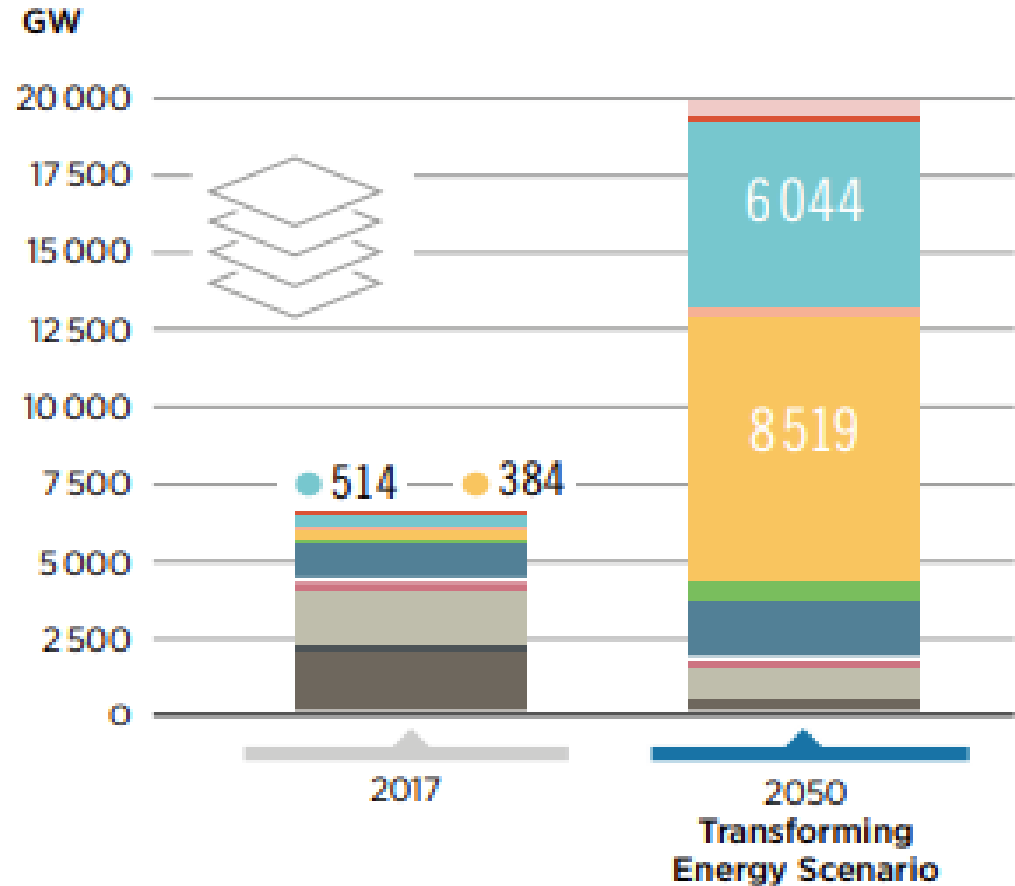
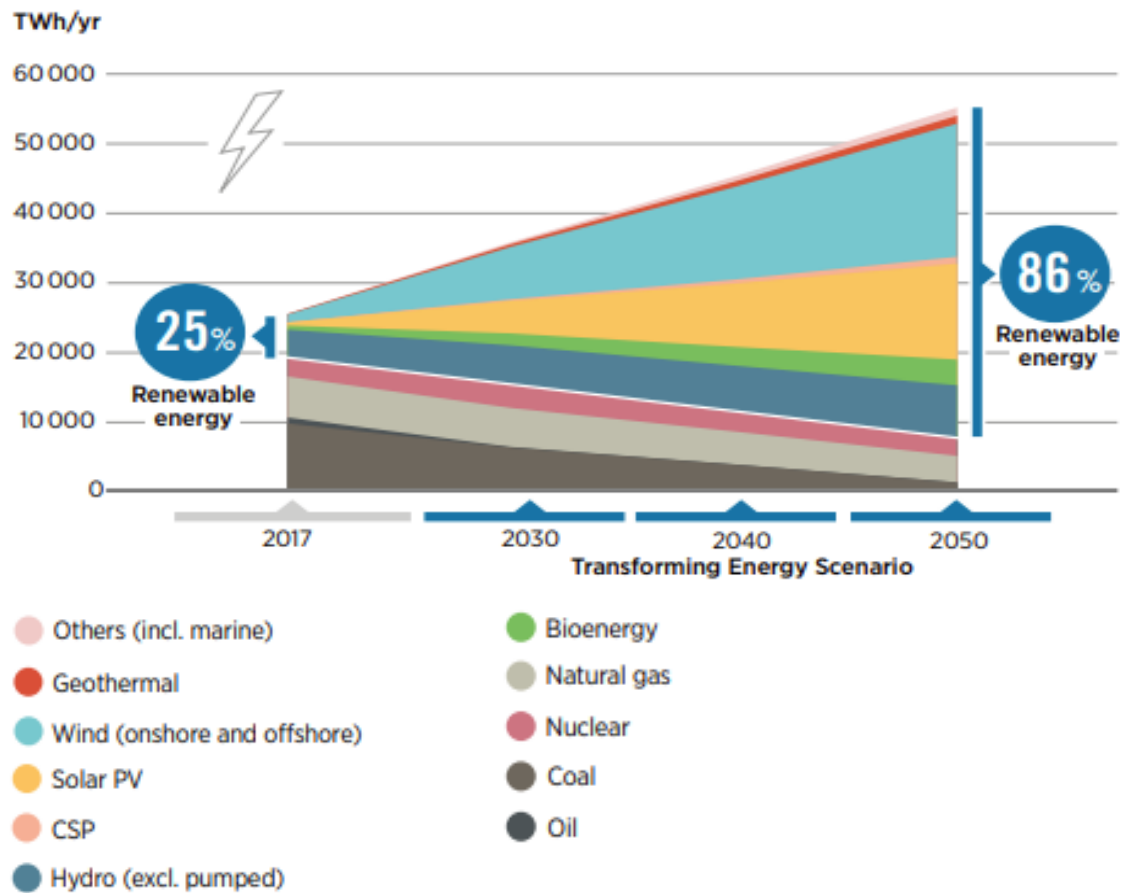
Smart Grid



Geothermal Heat
Pumps

RENEWABLE POWER GENERATION

Renewable power generation accounts for the significant majority within the electricity supply mix by 2050. Installed renewable power generation capacity growth dominated by solar and wind.

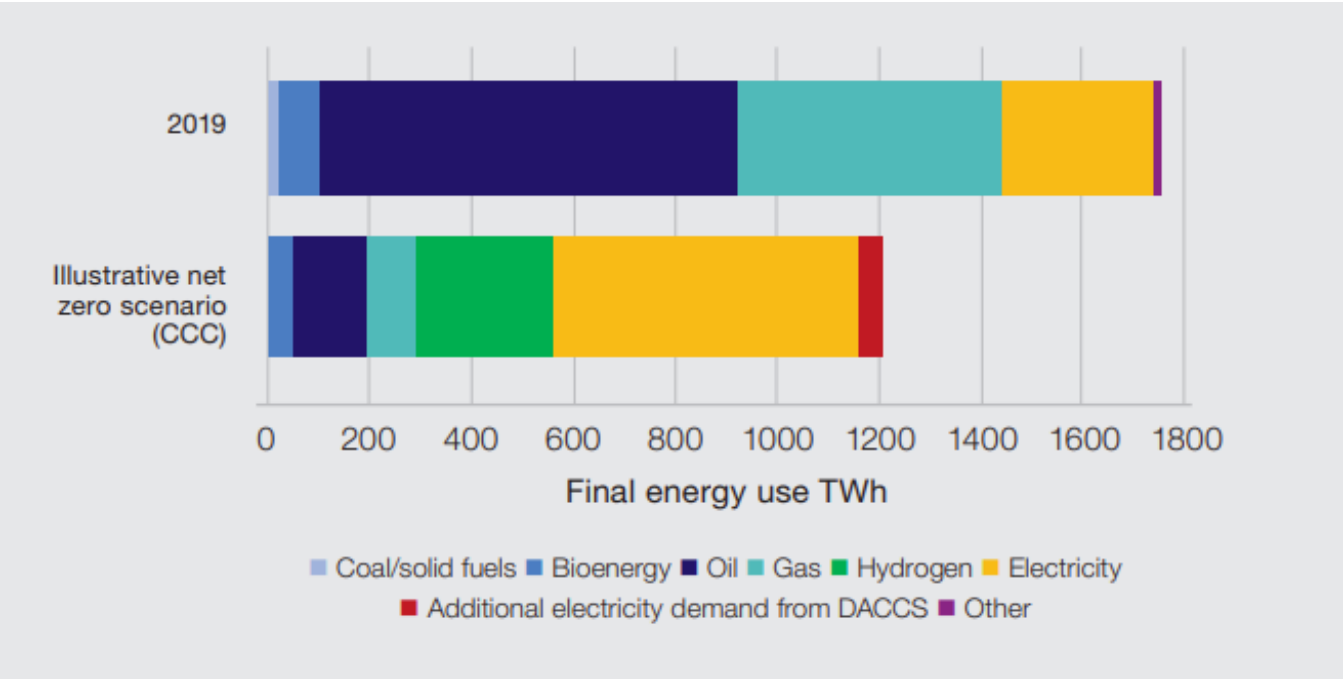


Source: IRENA Global Renewables Outlook: Energy Transformation 2050

ELECTRIFICATION OF THE ECONOMY WILL RESULT IN HIGHER ELECTRICITY USE

Illustrative UK final energy use in 2050

Overall electricity use declines owing to energy efficiency initiatives but the electrification of transport and heating results in an approximate doubling of electricity usage, which becomes a far greater proportion of the energy mix.

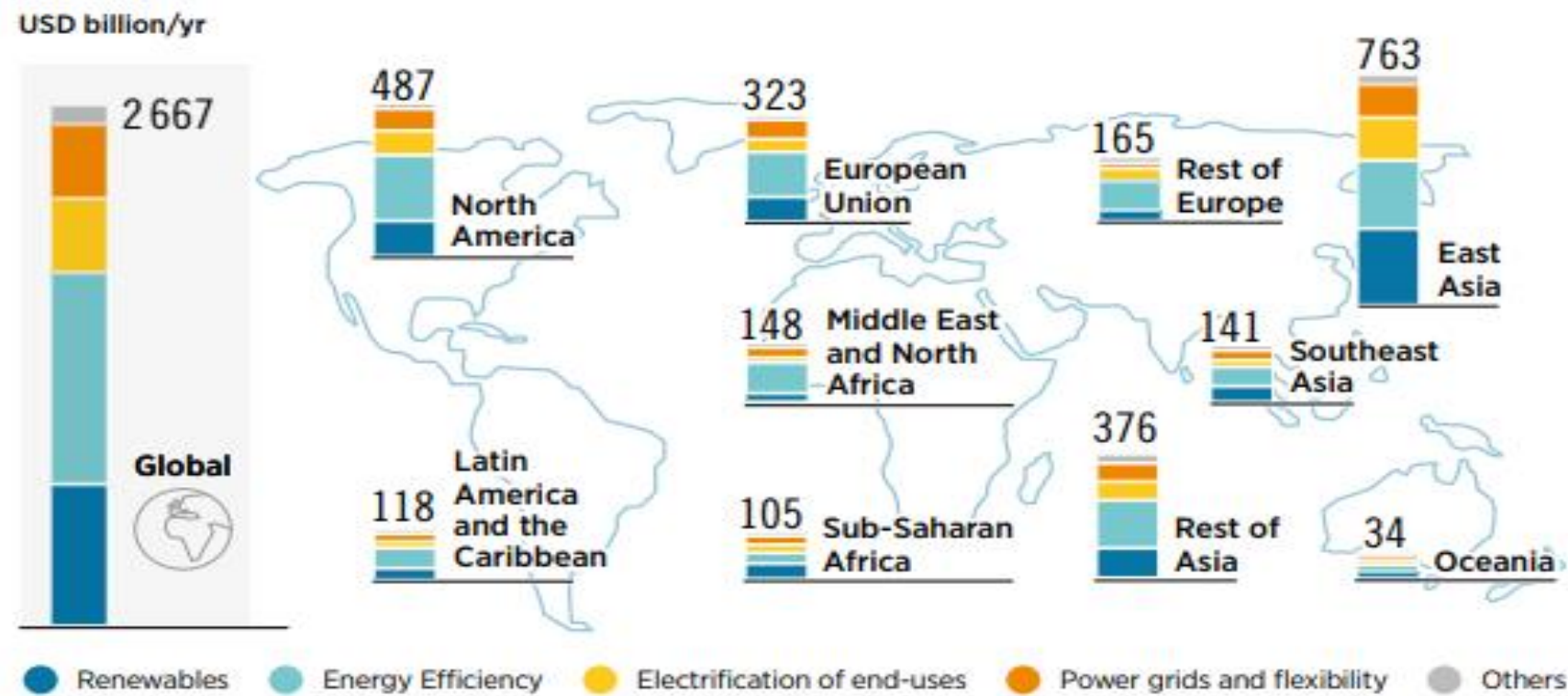


Source: Energy Trends table 1.2; CCC Net Zero Report

ENERGY EFFICIENCY & FLEXIBLE POWER GRIDS: SIGNIFICANT INVESTMENT REQUIRED

Climate change commitments require significant expenditure on a range of initiatives and related infrastructure in addition to renewable power generation capacity.

Opportunities in energy efficiency projects, the electrification of end users and an overhaul of grid networks.



Source: IRENA Global Renewables Outlook: Energy Transformation 2050

CORPORATE SUSTAINABILITY AMBITIONS

Additionality

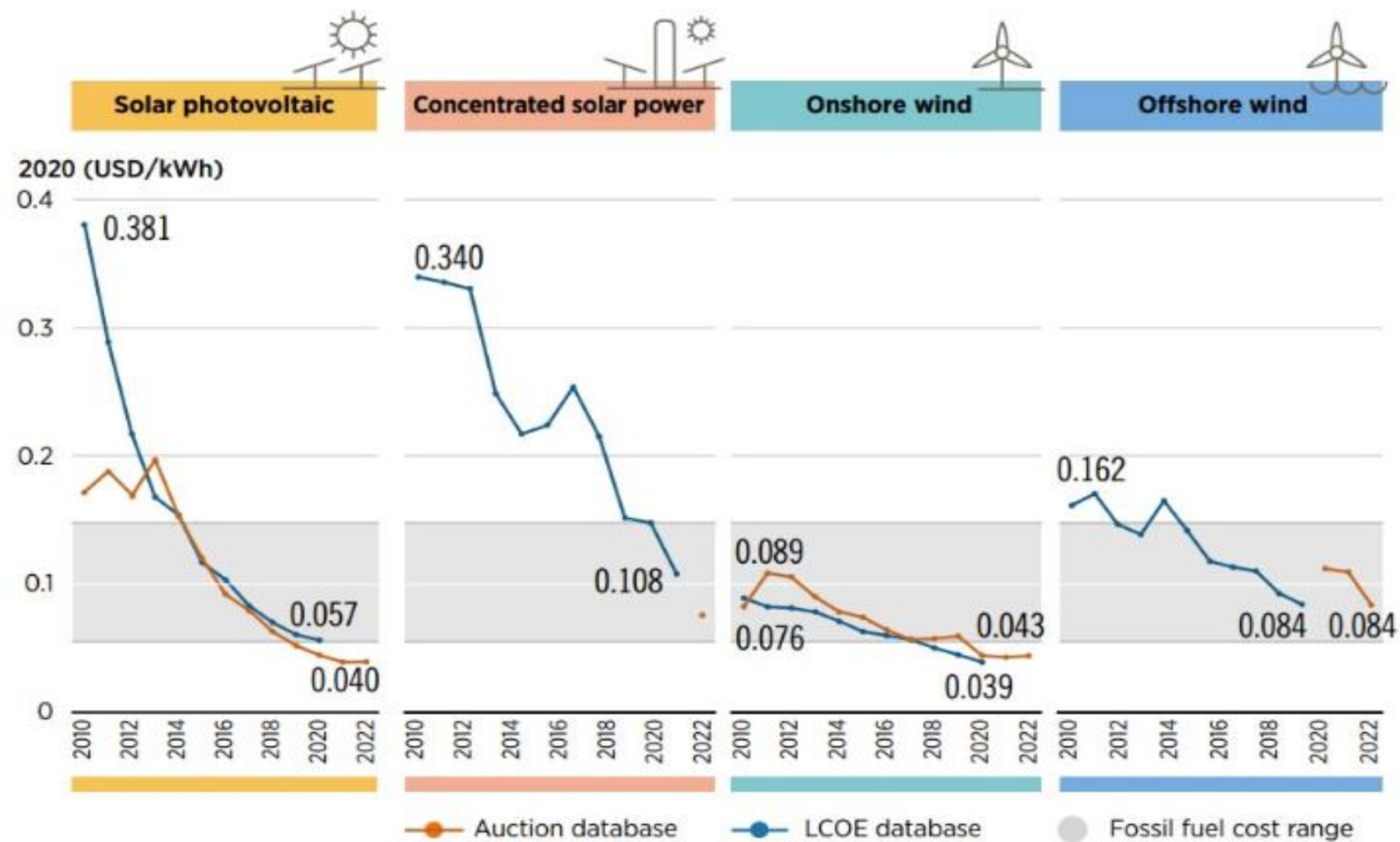
Corporate sustainability ambitions increasingly focused on emissions, driving investment in sourcing and generating renewable energy. Corporates are making investment decisions that directly result in new renewable energy generation capacity being added to the grid. Commercial and Industrial (C&I) sector accounts for approximately half of the world’s end use of electricity. U.S. C&I sector accounts for approximately \$200bn electricity spend p.a.



Source: BloombergNEF, EIA, RE₁₀₀ Science Based Targets, The Climate Group
1. Represents RE₁₀₀ Members
2. Represents the sum between 2021 and 2050 of commercial and industrial generation multiplied by the respective sectors’ projected \$/kW electricity rate

RENEWABLE ENERGY IS INCREASINGLY COST COMPETITIVE WITH FOSSIL FUELS

Global weighted-average Levelised cost of Electricity and PPA/auction prices, 2010-2022



Source: IRENA World Energy Transition Outlook 2022

INTRODUCTION TO THE FUND



Gravis

FUND GUIDELINES AND CHARACTERISTICS

Key Information

- The VT Gravis Clean Energy Income Fund is a UK UCITS V OEIC
- The Fund invests in a diversified portfolio of global listed securities including Yield Co Equity, Closed Ended Investment Companies and Equities
- Designed to deliver regular income, preserve capital and protect against inflation
- Exposure to > 2,500 renewable energy assets
- Currency – unhedged
- Net yield 6.36%¹
- Fund operating costs capped at AMC²

Guidelines

- Minimum of 80% of the portfolio exposed to operational – availability based or contracted – renewable energy assets e.g. wind, solar & hydro
- Maximum of 20% of portfolio exposed to ‘thematic’ companies involved in clean energy and energy efficiency (e.g. supply chain, project funding, construction, battery storage). Must have demonstrable track record of generating operating profits
- Invests in listed securities in OECD nations only
- Turnover expected to be no greater than 20% p.a.

Responsible Investment

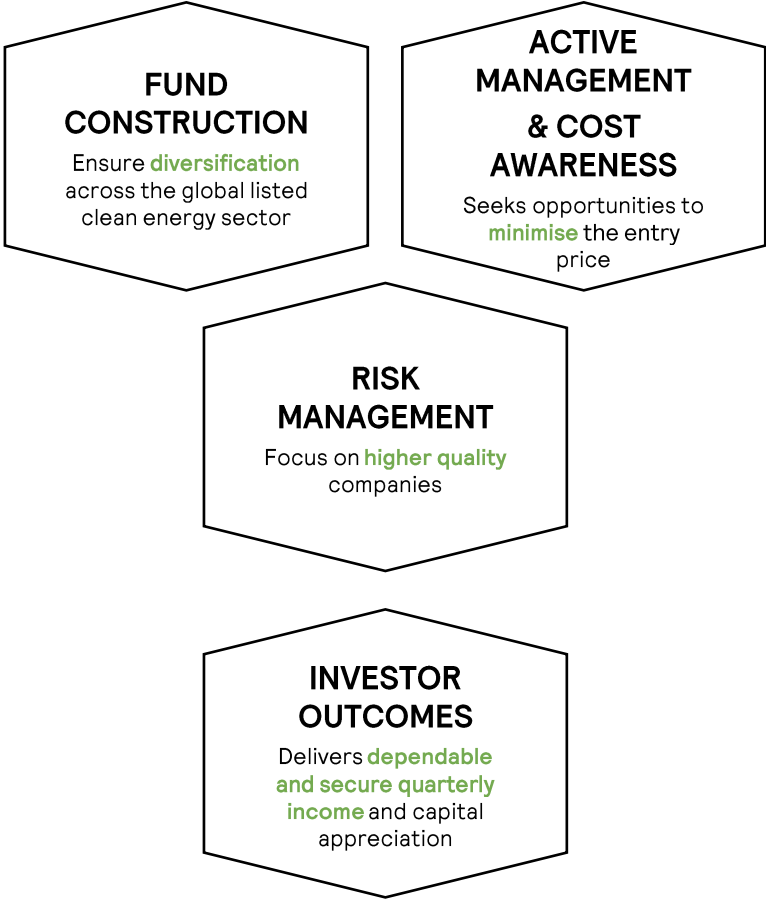
- Managed in adherence to a Responsible Investment Statement:
 - Impact
 - Environmental, Social & Governance considerations
 - Avoidance of controversial activities
 - Employs independent analysis
- Voting and Engagement Policy
 - Formally implemented in Q4 2021
 - Gravis OEICS: vote systematically, using voting research provided by ISS in line with their Sustainability Proxy Voting Guidelines

Limits within which the Fund is managed









- Minimum 90% of the portfolio has a minimum market cap £250m or equivalent
- Maximum of 17.5% of portfolio may be invested in corporate debt
- Minimum of 22 holdings – currently 33 holdings*
- Subject to UK UCITS V Limits (e.g.5/10/40)
- No shorting of stock, leverage at Fund level or stock lending

* Data as at 29 February 2024 ¹ 12-month trailing yield, C Inc GBP. ² The OCF (Ongoing Charges Figure) for all share classes is capped at the AMC (Annual Management Charge) excluding underlying ongoing charges and any costs in excess of the OCF/AMC are paid by the Investment Adviser. The AMC is 0.80% for the C share classes and 0.70% for the I share classes.

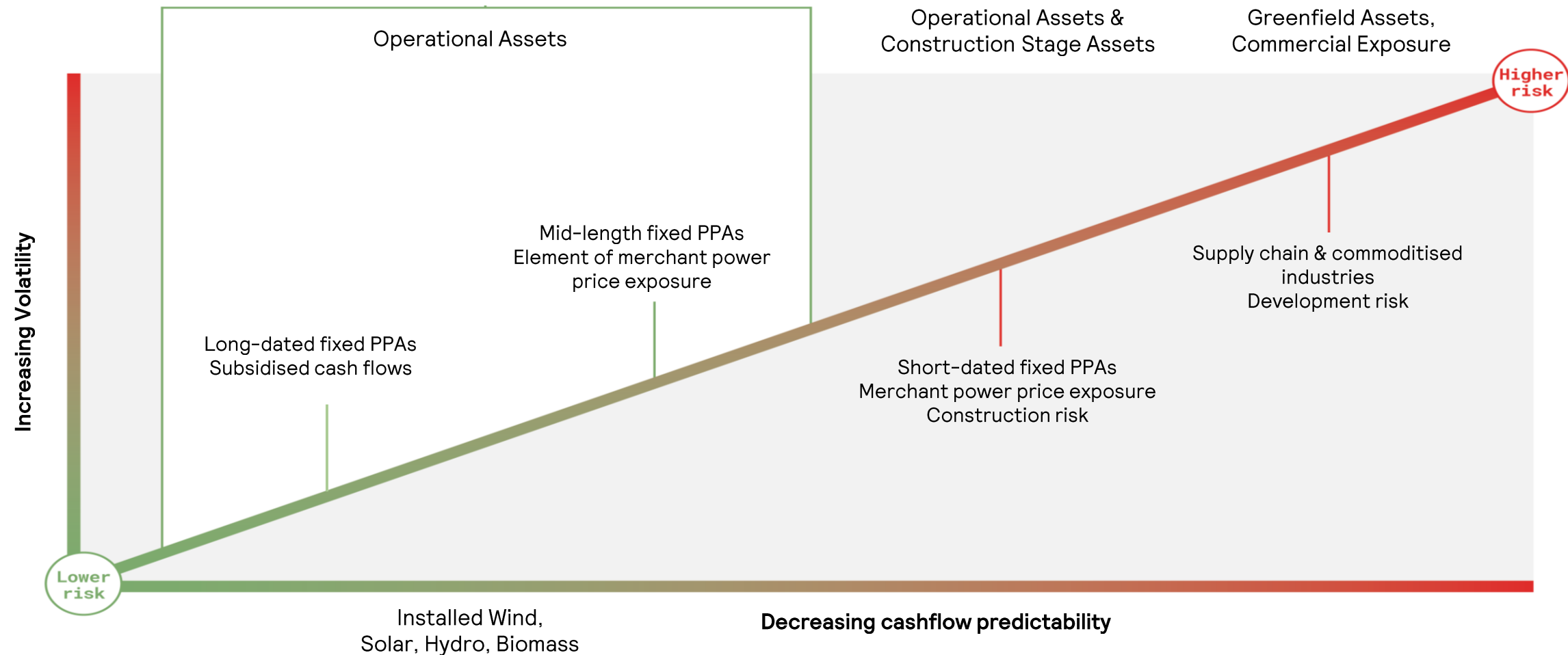
INVESTMENT PHILOSOPHY



Factors Driving Discretionary Investment Decisions

-  Fair **valuation**
-  **Low** relative volatility
-  **Inflation** hedging
-  **Size/Daily** liquidity
-  **Reliable** yield
-  Cashflow **dependability/visibility**
-  **Credibility** of management team
-  **Responsible Investment** Statement assessment

RISK PROFILE OF TARGET CLEAN ENERGY SECTORS



INVESTMENT EXAMPLES



Market Cap – \$2.2bn
IPO Date – June 2014



Market Cap – £700m
IPO Date – July 2013



Market Cap – \$9.0bn
IPO Date – July 2020



Market Cap – \$4.5bn
IPO Date – July 2013



Market Cap – €16.0bn
IPO Date – June 2008



Market Cap – €2.1bn
IPO Date – July 1998



Market Cap – £3.2bn
IPO Date – March 2013



Market Cap – \$2.0bn
IPO Date – April 2013



Market Cap – C\$2.0bn
IPO Date – December 2008



Market Cap – £570m
IPO Date – March 2014



Market Cap – £460m
IPO Date – April 2014



Market Cap – £2.5bn
IPO Date – July 2013

FUND CHARACTERISTICS



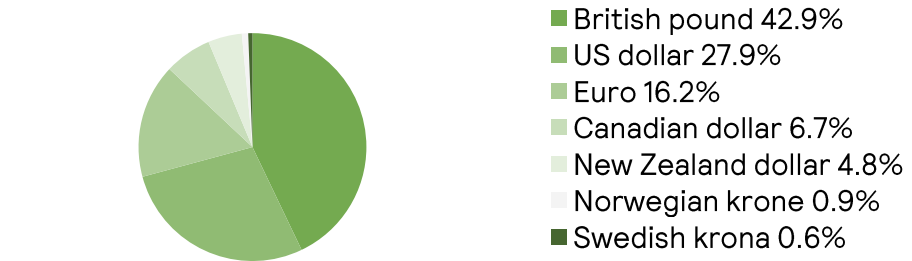
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PORTFOLIO CONSTRUCTION

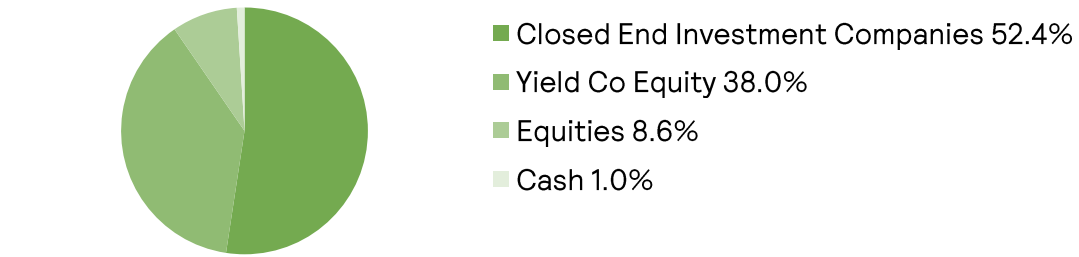
Portfolio as at 29 February 2024

Company	Holding
Greencoat UK Wind PLC	8.93%
Renewables Infrastructure Group Ltd	7.65%
Clearway Energy Inc	5.57%
Atlantica Sustainable Infrastructure PLC	5.54%
HASI Inc	5.19%
Meridian Energy Ltd	4.81%
Greencoat Renewables PLC	4.71%
Nextera Energy Partners LP	4.47%
JLEN Environmental Assets Group Limited	4.31%
Bluefield Solar Income Fund Ltd	4.00%

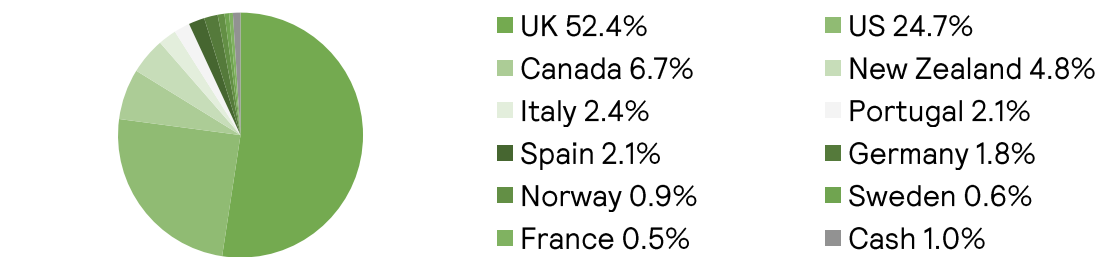
Currency exposure (by listing)



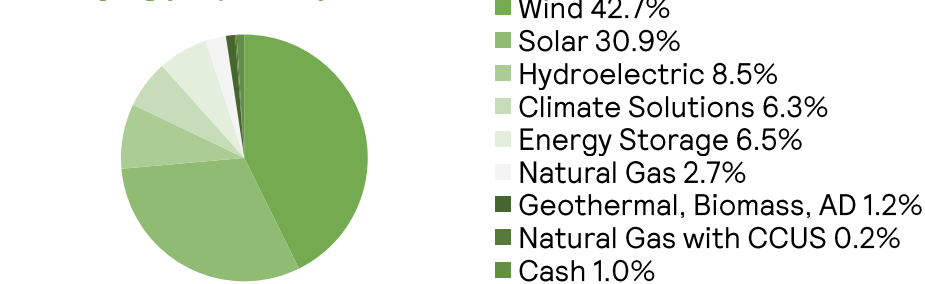
Asset Type



Geographic exposure (by listing)



Underlying project exposure

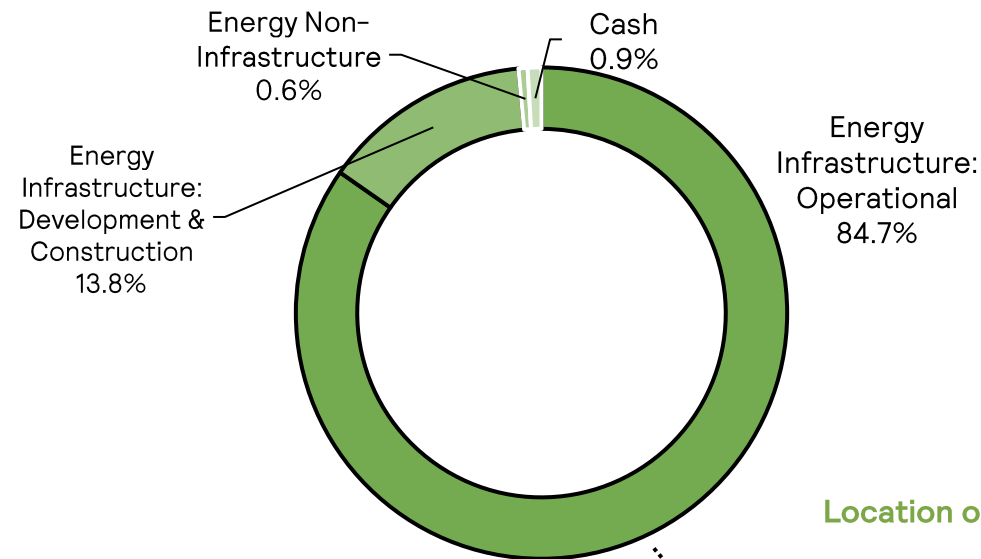


Data as at 29 February 2024..

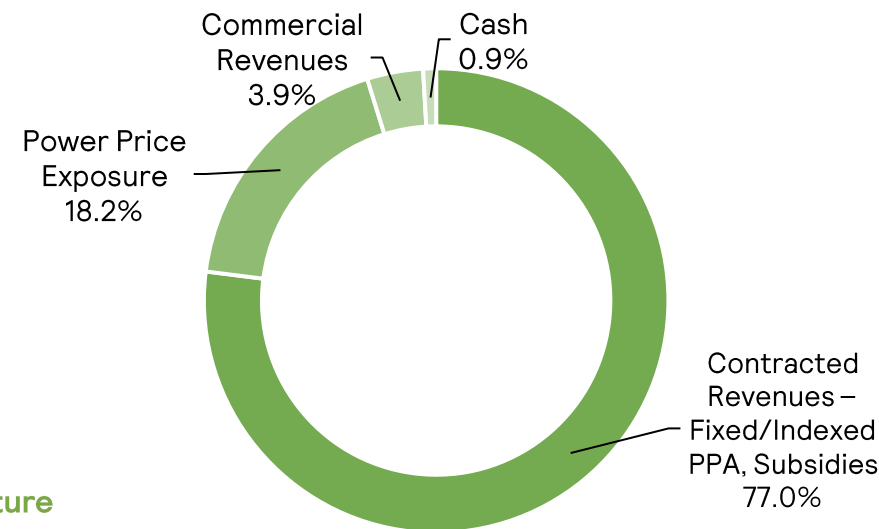
PORTFOLIO CASH FLOW RESILIENCE

Bias towards operational energy infrastructure assets underpinned by contracted pricing

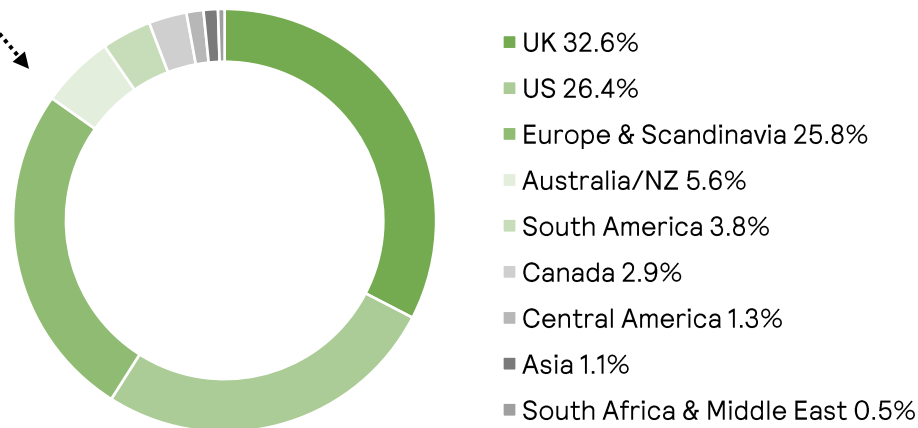
Operational Assets



Revenue Characteristics



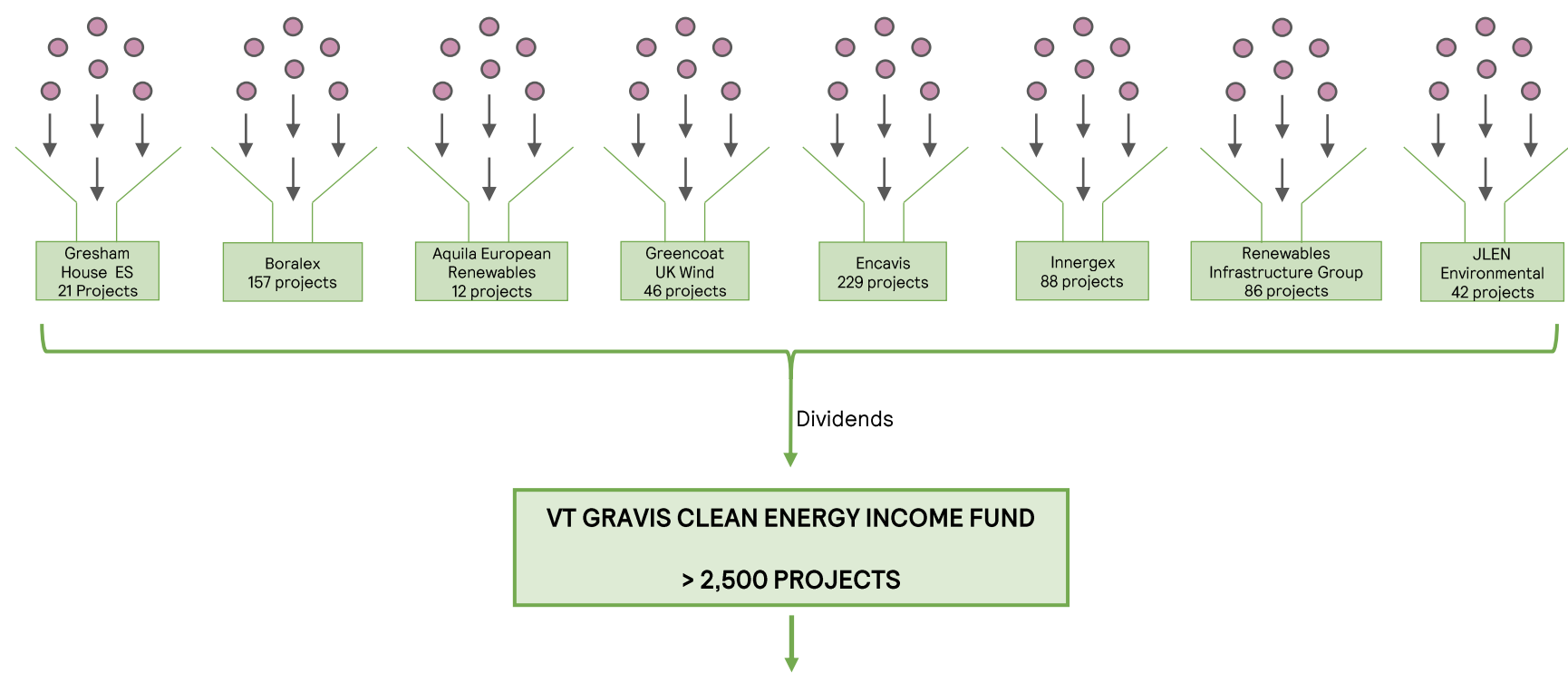
Location of Energy Infrastructure Assets



Gravis analysis and estimates, company data. Portfolio at 31 December 2023. Operational Assets and Location of Assets data based on generation capacity. Revenue characteristics based on at least one year visibility.

DEPTH OF PROJECTS WITHIN THE FUND - SAMPLE

The Fund invests in multiple closed ended funds; which own or invest in a diversified pool of SPVs

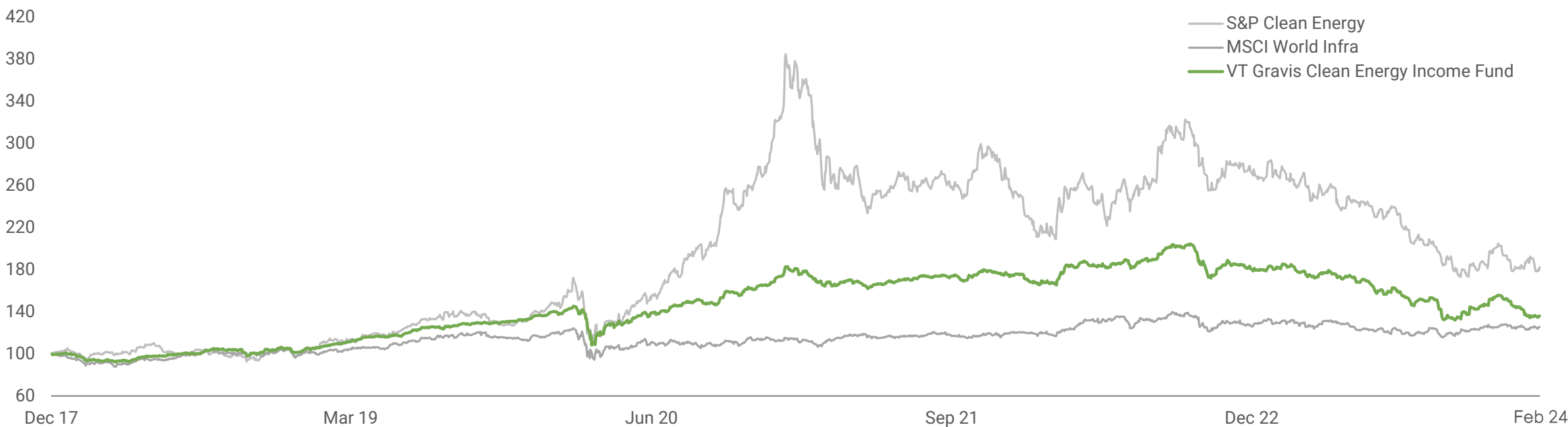


The aim is to generate 4.5% income net of charges per annum

* Gravis Advisory Ltd Research/Company Data

FUND PERFORMANCE

C GBP Net Accumulation 18 December 2017 – 29 February 2024.



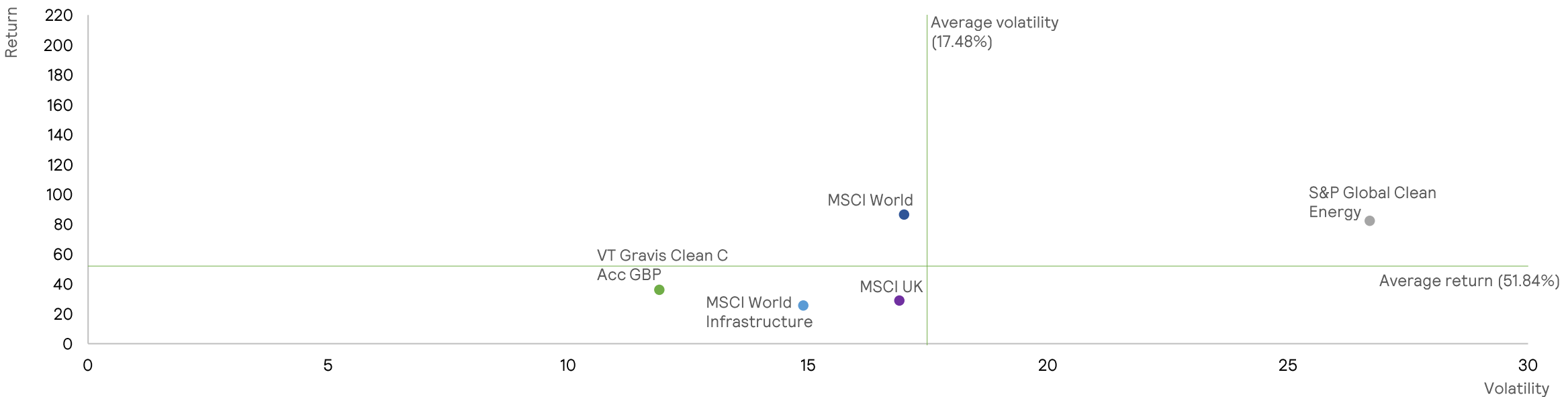
Returns

	Since Inception	5 Year	3 Year	12 Month	3 Month	1 Month	YTD	Annualised since Inception	Volatility	Yield
VT Gravis Clean Energy Income Fund	36.13%	24.41%	-18.79%	-23.14%	-6.02%	-5.25%	-12.55%	5.10%	11.85%	6.36%
MSCI World Infrastructure	25.54%	23.10%	17.80%	-0.94%	1.46%	-0.20%	-0.27%	3.74%	14.86%	4.33%
S&P Clean Energy	82.26%	63.20%	-37.60%	-30.01%	-1.34%	0.42%	-10.18%	10.16%	26.75%	1.33%

Past performance is not necessarily a guide to future performance.
*The Fund launched on 18 December 2017. Data as at 29 February 2024. Gravis Clean Performance is illustrated by the C GBP Net Accumulation share class.

SINCE LAUNCH RISK & REWARD

Data as at 29 February 2024.

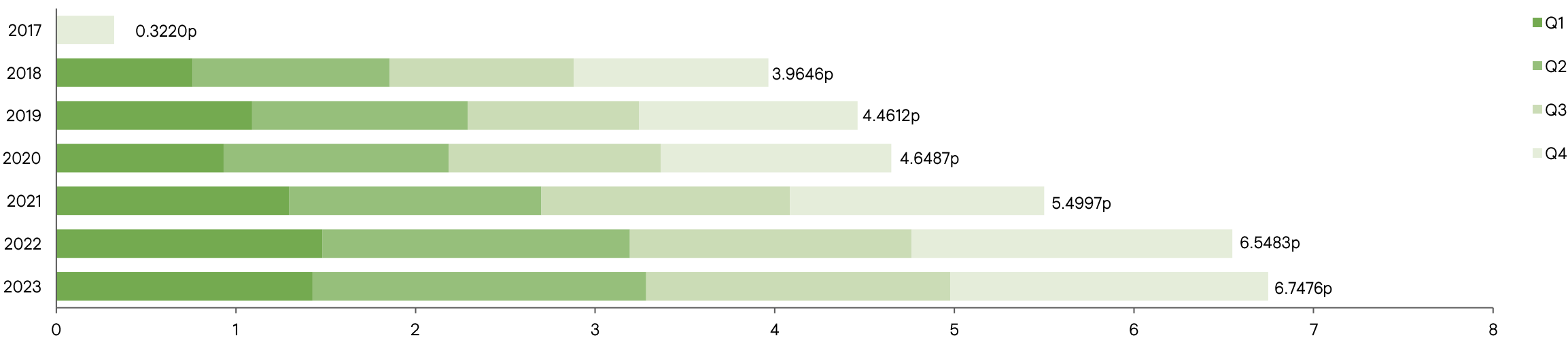


	Return Since Launch*	Volatility Since Launch*	Correlation
VT Gravis Clean Energy Income Fund	36.1%	11.9%	-
MSCI UK	28.9%	16.9%	0.59
MSCI World	86.4%	17.0%	0.58
MSCI World Infrastructure	25.5%	14.9%	0.66
S&P Clean Energy	82.3%	26.7%	0.68
Average	51.84%	17.48%	

Past performance is not necessarily a guide to future performance.
*The Fund launched on 18 December 2017. Data as at 29 February 2024. Gravis Clean Performance is illustrated by the C GBP Net Accumulation share class.

DIVIDENDS

Quarterly since inception to 31 December 2023.



INCOME ACCRUAL

Robust income accrual during 2023

- Resilience reflects contracted nature of cash flows, bias towards operational assets, strong counterparties plus government-supported subsidies

ATTRACTIVE INCOME YIELD

Q4 2023 distribution
1.7710p

Total 2023 distribution
6.7476p +3% YoY

5.56%**
12m trailing yield at 31 December 2023

GROWTH INCOME

Uplifts to portfolio companies' 2023 dividends are still feeding through in Q1 2024

Potential for companies to guide towards, and deliver, further dividend growth in FY 2024, supported by inflation-linkage in subsidy cash flows (e.g. ROCs, FITs) and the addition or energisation of new assets

Past performance is not necessarily a guide to future performance.
The Fund launched on 18 December 2017.** Data as at 31 December 2023. C Inc GBP share class.

APPENDIX



Gravis

FUND INVESTMENT TEAM



William Argent, CFA – Fund Adviser

Will is a Fund Manager at Gravis having joined the company in 2017. He is the adviser to the VT Gravis UK Infrastructure Income Fund and VT Gravis Clean Energy Income Fund.

Will has 18 years' experience working as a buy-side analyst and portfolio manager, focusing on investments in equities and closed-ended companies. He has been investing in the listed infrastructure sector since 2006.

Will graduated from the University of Exeter with a degree in mathematics and is a CFA charterholder.

020 3405 8552

William.argent@graviscapital.com



FUND INVESTMENT TEAM



Emma Ballard – Senior Research Analyst

Emma is a senior research analyst at Gravis, assisting on all open-ended funds. She previously advised on transactions and financial analysis for FTSE-250 listed GCP Student Living.

Emma joined Gravis from Knight Frank where she primarily focused on UK office investment transactions. Prior to Knight Frank, Emma spent 4 years with Deloitte managing audits and other assurance services for a range of investment managers and private equity clients.

020 3405 8524

emma.ballard@graviscapital.com



Shayan Ratnasingam – Senior Research Analyst

Shayan is a senior research analyst at Gravis assisting on the four open-ended funds. Shayan has extensive experience in multi-asset investing within the institutional and wealth management industry from overseeing a £300 million multi-asset alternative funds and more recently sell-side research on renewable and investment companies.

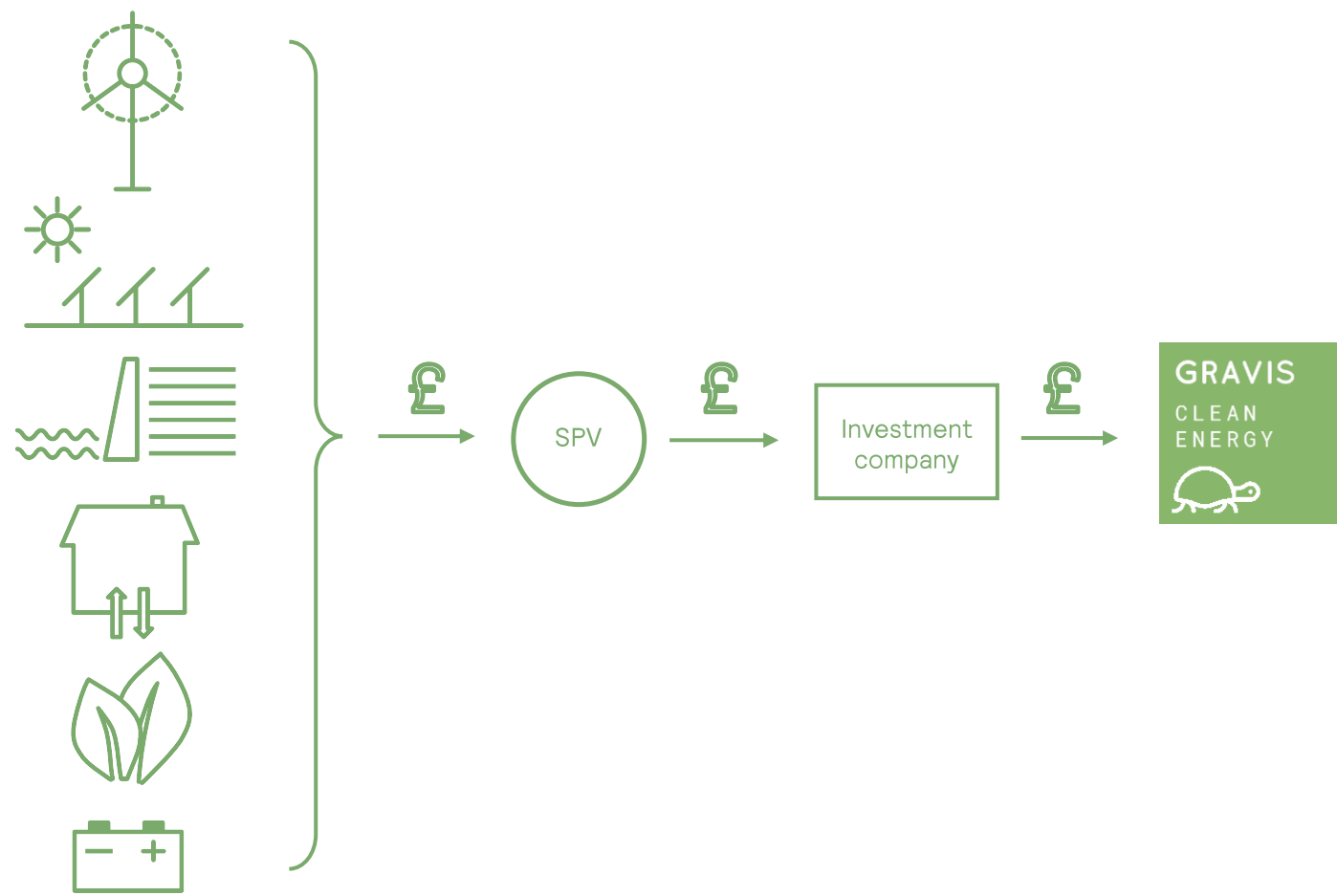
Shayan holds the IMC and CFA certificate in ESG investing and is currently working towards the Institute and Faculty of Actuaries.

020 3405 8564

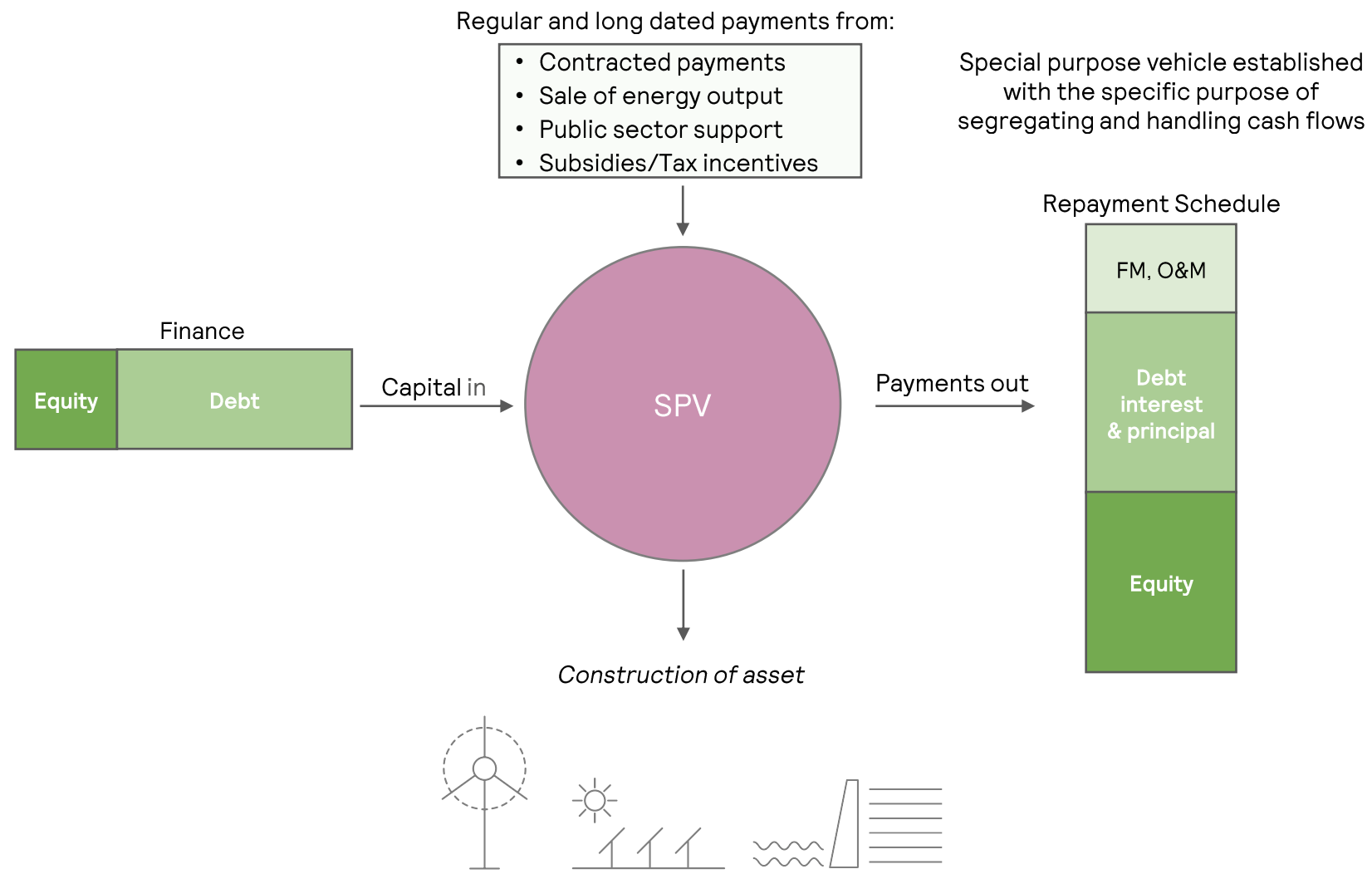
shayan.ratnasingam@graviscapital.com

KEY INVESTIBLE AREAS IN CLEAN ENERGY SECTOR – SPV FOCUSED

Operational & Cash generative Renewable Energy assets such as Wind, Solar, Hydro & Biomass plants.



PROJECT FINANCE MODEL IN OPERATION



GRAVIS RESPONSIBLE INVESTMENT



Gravis' Commitments

- Committed to running operations on a carbon-neutral basis by 2023
- Signatory to the Principles for Responsible Investment since January 2019
- Participant in the UN Global Compact Network
- Abide by the UK Stewardship Code 2020
- Working towards adherence to the recommendations of the Taskforce for Climate-related Financial Disclosures (TCFD)
- Firm wide Responsible Investment Policy and exclusion of investment in controversial activities

The Fund is managed in line with a bespoke Responsible Investment Statement

- Positive impact assessment
- Environmental, Social & Governance considerations
- Avoidance of controversial activities
- Employs independent analysis

Voting & Engagement Policy

- Formally implemented in Q4 2021
- Gravis seek to engage with the companies in which we invest to understand and provide input into the key areas we see having a material impact on shareholder value
- Gravis votes systematically, using voting research provided by ISS in line with their Sustainability Proxy Voting Guidelines

INDEPENDENT RATINGS



Defaqto – ESG Reviewed

Defaqto ESG reviews for funds cover, among other things:

- The fund's or DFM ESG policy and how well the fund aligns to it
- Product involvement, if any, in certain controversial areas
- Any adherence to the UN SDGs
- The asset management firm's voting and engagement policies with corporates on ESG
- The company resources in terms of ESG behind the fund



Dynamic Planner

DT (Distribution Technology) has reviewed and profiled the Clean Energy Income Fund offered by Gravis within the risk profiles used on Dynamic Planner. Having reviewed the objectives of the fund, the historical performance and the asset allocation, DT have proposed that the fund should be **DT profile of 5** out of 9.



Rayner Spencer Mills Research

RSMR have given the VT Gravis Clean Energy Income Fund both an R Rating and a Responsible Fund Rating.



FundCalibre

To be considered for an Elite Rating, managers must have a track record of at least three years, and these ratings are awarded to no more than 10% of funds in any sector. While many screens exist that analyse past performance, AlphaQuest is unique because it focuses on future performance. It estimates how likely a manager is to continue to deliver superior returns.

Defaqto – 5 Diamond Rating

Defaqto provide a completely unbiased assessment, using a detailed, robust and transparent process derived from both quantitative and qualitative features. Overall the fund rankings are calculated using a scoring method called Data Numerical Analysis DNA). Each element is scored from 1 to 5, with an overall score of 5 denoting that a fund has the highest characteristics available in the retail funds market.

KEY TERMS

Fund Size	£329.86m		
Dividend Yield	Yield C shares 6.36% (as at 29 February 2024)		
Share Classes	Clean & Institutional / Income & Accumulation / GBP, USD & EURO		
Minimum Investment	£100		
AMC	I: 0.70% C: 0.80%		
OCF*	I: 0.70% C: 0.80%		
Synthetic OCF**	I: 1.22% C: 1.32%		
Issue Price	£1 (as at 18/12/2017)		
Valuation and trading	Daily 12pm		
Investment Association Sector	IA Infrastructure		
Holdings	Global securities including equities, green bonds, closed ended investment companies and Yield Co's		
Number of holdings	Minimum of 22 holdings – 33 currently		
Distributions	Quarterly (payable 1 month in arrears) – January, April, July, October		
Classification	Non-complex		
£ ISINs & SEDOLs	£ Acc	GB00BFN4H792	BFN4H79
	£ Inc	GB00BFN4H461	BFN4H46
	\$ Acc	GB00BFN4H917	BFN4H91
	\$ Inc	GB00BFN4H685	BFN4H68
	€ Acc	GB00BFN4H800	BFN4H80
	€ Inc	GB00BFN4H578	BFN4H57

*The OCF (Ongoing Charges Figure) for all share classes is capped at the AMC (Annual Management Charge) excluding underlying REIT ongoing charges and any costs in excess of the OCF/AMC are paid by the Investment Adviser. **With effect from the 30th of June 2022, a 'Synthetic Ongoing Charges Figure (OCF)' for the Fund must be published. The 'Synthetic OCF' is calculated using the weighted average OCF of the Fund's underlying holdings and only where these figures are published. Whilst the requirement to publish the Synthetic OCF is a new one, this is not a new charge to investors.

PLATFORMS & WRAPPERS

Available on the following platforms

- | | |
|------------------------|-------------------------|
| 7IM | Old Mutual/Quilter |
| Aegon | Pershing |
| AJ Bell | Prudential |
| Allfunds | Raymond James |
| Alliance Trust Savings | SEI |
| Ascentric | Standard Life – Elevate |
| Aviva | Standard Life – Wrap |
| Barclays | Transact |
| Co Funds | True Potential |
| Fidelity Funds Network | Utmost |
| FNZ | Wealthtime |
| Hargreaves Lansdown | Winterfloods |
| Hubwise | Zurich |
| James Hay | |
| Novia | |
| Nucleus | |

Suitable for

- Direct investors
- SIPPs
- ISAs
- Charities
- Offshore bonds
- Companies
- QROPS

CONTACT INFORMATION

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	Jason Anderson	Head of London Sales	020 3405 8527	jason.anderson@graviscapital.com
	Jonathan Feely	Sales Director, North	07894 107075	jonathan.feely@graviscapital.com
	Ollie Matthews	Sales Director, South	07787 415151	ollie.matthews@graviscapital.com



INVESTMENT AND DISTRIBUTION

Investment Manager

Valu-Trac Investment Management Ltd.

- i. Valu-Trac Investment Management Limited was established as an authorised investment manager in 1989.
- ii. Valu-Trac Investment Management Limited launched Valu-Trac Administration Services in 2010, to provide Authorised Corporate Director (ACD) and administration services to UK regulated funds and their delegated investment managers.
- iii. Valu-Trac Investment Management Limited, as ACD, administers over £14.5bn of assets under management.
- iv. Valu-Trac Investment Management Limited employs 95 staff and has offices in the North of Scotland and London.

Investment Advisor

Gravis Advisory Ltd.

- i. Gravis Advisory Ltd is owned and managed by Gravis Capital Management Ltd ('Gravis'), which entered into a strategic partnership with ORIX Corporation in January 2021.
- ii. Gravis was established in May 2008 as a specialist investor in infrastructure and now manages c.£2bn of assets in the UK.
- iii. OEIC Funds include VT Gravis UK Infrastructure Income, VT Gravis Clean Energy Income, VT Gravis UK Listed Property and VT Gravis Digital Infrastructure Income Funds.
- iv. Gravis Advisory Ltd is a subsidiary of Gravis Capital Management and is Investment Adviser to the Fund.

Distribution

Gravis Advisory Ltd.

- i. The team of five has assisted in raising over £3bn since launch in 2009.
- ii. The team has raised new capital for IPOs, and further capital raising through C share offerings and Placing Programs, UCITS Funds, UK OEICs, VCTs and Private Equity.
- iii. The team has combined experience of over 80 years in the UK.

IMPORTANT NOTICE

Warning

The information in this Report is presented by Valu-Trac using all reasonable skill, care and diligence and has been obtained from or is based on third party sources believed to be reliable but is not guaranteed as to its accuracy, completeness or timeliness, nor is it a complete statement or summary of any securities, markets or developments referred to. The information within this Report should not be regarded by recipients as a substitute for the exercise of their own judgement.

The information in this Report has no regard to the specific investment objectives, financial situation or particular needs of any specific recipient and is published solely for informational purposes and is not to be construed as a solicitation or an offer to buy or sell any securities or related financial instruments. In the absence of detailed information about you, your circumstances or your investment portfolio, the information does not in any way constitute investment advice. If you have any doubt about any of the information presented, please consult your stockbroker, accountant, bank manager or other independent financial advisor.

Value of investments can fall as well as rise and you may not get back the amount you have invested. Income from an investment may fluctuate in money terms. If the investment involves exposure to a currency other than that in which acquisitions of the investments are invited, changes in the rates of exchange may cause the value of the investment to go up or down. Past performance is not necessarily a guide to future performance.

The hypothetical performance measurements are illustrative only and offer no guarantee of future performance, profitable or unprofitable, actual or theoretical. Since hypothetical performance measurements do not represent actual trading they may not reflect the impact that material economic or market factors might have made on a portfolio manager's decisions were the portfolio manager actually managing a client's money.

Any opinions expressed in this Report are subject to change without notice and Valu-Trac is not under any obligation to update or keep current the information contained herein. Sources for all tables and graphs herein are Valu-Trac unless otherwise indicated.

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Users are therefore warned not to rely exclusively on the comments or conclusions within the Report but to carry out their own due diligence before making their own decisions.

Unless otherwise stated Equity Market price indices used within this publication are sourced or derived from data supplied by MSCI Inc 2024.

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Gravis

INVESTMENT IDEAS FOR THE LONG RUN