

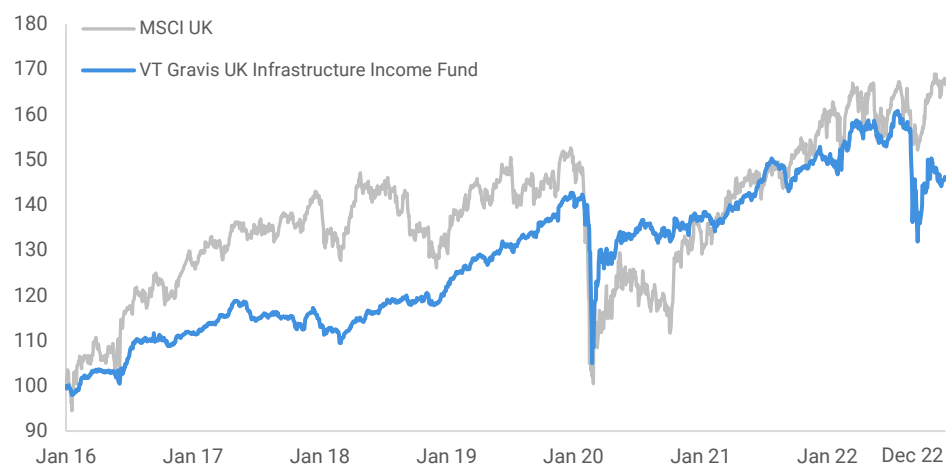
FUND OBJECTIVES

- 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 – 31/12/2022



RETURNS

	1 MONTH	3 MONTHS	12 MONTHS	3 YEARS	5 YEARS	SINCE INCEPTION	YTD	YIELD ⁵
VT Gravis UK Infrastructure	-0.68%	3.05%	-3.54%	3.50%	25.80%	46.22%	-3.54%	4.74%
MSCI UK	-1.39%	8.56%	7.15%	11.18%	17.98%	66.66%	7.15%	3.70%

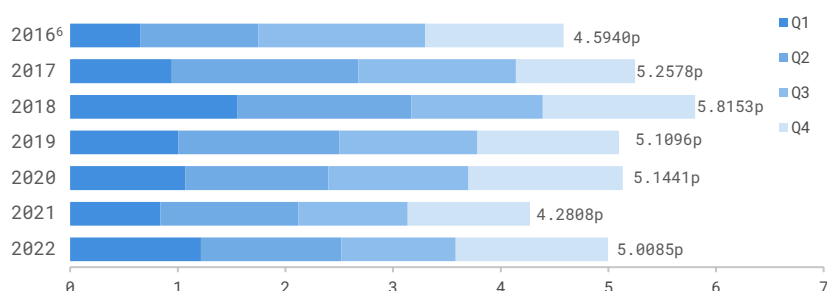
Past performance is not necessarily indicative of future results.

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	£837.84m
Number of Holdings	31
Share Classes	Income and Accumulation Clean & Institutional (£,\$,€)
Min. Investment	C: £1,000
Net Asset Value per share	C Acc (£): 146.22p C Inc (£): 105.69p
Trailing 12 month net yield²	C Inc: 4.74%
Annual Management Charge	C: 0.75%
Capped fund OCF³	C: 0.75%
Synthetic OCF⁴	C: 1.62%
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 and any costs in excess of the OCF/AMC will be paid by the Investment Adviser.

4. The 'Synthetic' Ongoing Charges Figure (OCF) is calculated using the weighted average OCF of the Fund's underlying holdings where these figures are published; the aggregated figure for the 22 of the 32 holdings in the portfolio is 0.87%. Whilst the requirement to publish the 'Synthetic' OCF is a new one as at 30th June 2022, this is not a new cash charge to investors and the OCF of the Fund remains capped at the AMC.

5. 12 month trailing net yield C Inc share class.

6. Part period from 25.01.16 – 31.03.16

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

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FUND ADVISER'S REPORT

The strategy recovered some ground during the final quarter of 2022, not least owing to a tightening of yield expectations. Bond markets reacted positively to changes in the Conservative party leadership, with Sunak/Hunt swiftly abandoning the fiscal policies, proposed by their predecessors, which had sent domestic capital markets into a state of turmoil towards the end of September. The Fund recorded a gain of 3.05% during the period (C Accumulation GBP), with the major positive contributions coming from recoveries in the infrastructure lending, renewable energy generation and traditional utilities companies held within the portfolio. Notable detractors were confined to specialist REITs operating in the care and residential sectors, as well as digital infrastructure and communications companies. The Fund's full-year total return was -3.54% (C Accumulation GBP), and while this was a disappointing result in absolute terms, the strategy's relative performance against its direct peer group of UK Listed Infrastructure OIECs was favourable.

Over the longer-term (and it is worth noting here that the Fund marks its seven-year anniversary in late January), listed UK infrastructure has demonstrated its value within a multi-asset framework, adding diversification benefits owing to the sector's low correlation with traditional asset classes (see data in table below) as well as generating attractive standalone risk-adjusted returns. During the period since the Fund's inception to 30th December 2022, the Fund delivered an annualised return of 5.65% with an annualised daily volatility profile of 9.69% (C Accumulation GBP). Over the same period, the MSCI UK Index delivered an annualised total return of 7.66% but with an equivalent volatility measure of 16.69%.

Looking forward to 2023 and it appears inevitable that the Bank of England will continue to tighten monetary policy in the near-term. A 50bps increase in the base rate (to 4%) is almost certain to occur in February and prevailing interest rate probabilities signal further incremental hikes towards a peak of around 4.5% in the summer. Beyond this, however, markets now forecast a reversal before year-end with softening inflationary pressures and a weakening economy providing little support for the Bank to maintain rates at such levels. Expectations for such an outcome are likely to subdue yield requirements and in the Adviser's view, mid-to-longer-term reference yields are unlikely to retest levels seen in September/October 2022. This can underpin infrastructure asset valuations inasmuch as discount rates may not require further adjustment. Simultaneously, the relative attractiveness of the embedded return expectations across the broader infrastructure sector – much of which is returned to shareholders via income distributions – should come into focus and could well drive a recovery in ratings and share prices.

At the start of 2023, the weighted-average discount to NAV for the live portfolio constituents was 5.8%, representing not just a low since the strategy's inception (measured monthly), but also an anomalous situation for a sector that historically has typically traded on a firm premium.

Prospects for a broad range of infrastructure assets to continue to deliver resilient and growing income distributions while maintaining a stable or growing capital base persist. The strategy has sought to follow a conservative approach to its positioning through its focus on commissioned infrastructure assets operating in environments with high barriers to entry, protection in the form of regulated or government-backed frameworks, and by limiting sensitivity to cyclical demand patterns. The Fund is exposed to a number of "mega trends" including the Energy Transition (which incorporates not only renewable energy generation but also data/metering, transmission networks and energy storage solutions), Ageing Demographics (care and primary health provision), and Digitalisation (fibre networks, data centres, communication towers), which feature within the broader context of a portfolio of companies delivering critical services to our economy and society. When the National Infrastructure Commission publishes its Infrastructure Assessment (due in the Autumn) it is likely to highlight the need for greater urgency with respect to investment in reducing greenhouse gas emissions from electricity generation, industry and heating, improving transport networks, addressing surface water and flood risk, and stimulating the waste industry to support the move to a more circular economy. The requirements and opportunities to invest in upgrading existing and accelerating new crucial infrastructure in the UK remain significant.

Fourth quarter dividend announced

Income distributions for the fourth quarter of 2022, payable in January 2023, amounted to 1.4173p per C Income GBP unit and 1.4451p per I Income GBP unit reflecting strong year-on-year growth of approximately 25% in each instance. Total distributions declared in 2022 increased by approximately 17% when compared to the prior year. The trailing 12-month yield on the C Income GBP units is 4.74% and the portfolio is well positioned to achieve an attractive income outcome for investors moving forward. Based on prevailing company guidance and in some cases, market consensus, underlying portfolio companies are expected to increase dividend distributions by 4.3% on average during their respective financial years ending in 2023.

Investment Adviser

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.£3bn 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.£578m VT Gravis Clean Energy Income Fund, the c.£70m VT Gravis UK Listed Property Fund and the c.£42m VT Gravis Digital Infrastructure Income Fund.

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CORRELATION, PERFORMANCE AND VOLATILITY COMPARISON

25 January 2016 – 30 September 2022

	CORRELATION	RETURN	VOLATILITY	YIELD*
VT Gravis UK Infrastructure Income Fund (C Acc)	-	46.22%	9.69%	4.74%
MSCI UK	0.40	66.66%	16.69%	3.70%
MSCI World Infrastructure	0.19	69.22%	14.64%	3.92%
UK 10 Year Gilts	0.06	-19.57%	7.13%	3.57%

Past performance is not necessarily indicative of future results.

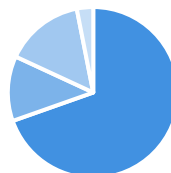
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*12 month trailing net yield C Inc share class.

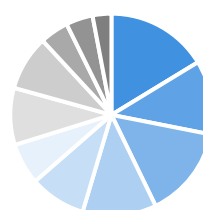
TOP 10 HOLDINGS

COMPANY	WEIGHTING
Greencoat UK WIND PLC	7.1%
Renewables Infrastructure Group Limited	7.1%
HICL Infrastructure Fund Limited	7.0%
Sequoia Economic Infrastructure Income Fund Ltd	6.7%
John Laing Environmental Assets Group Limited	5.2%
GCP Infrastructure Investments Ltd	5.2%
GCP Asset Backed Income Fund Limited	4.1%
National Grid PLC	4.0%
Bluefield Solar Income Fund Ltd	4.0%
3i Infrastructure PLC	3.9%

Security type



Underlying Project Exposure



DISCRETE 5 YEAR PERFORMANCE

	2017	2018	2019	2020	2021
VT Gravis UK Infrastructure Income Fund	4.22%	1.84%	19.35%	-3.36%	11.04%
MSCI UK	11.71%	-8.82%	16.37%	-13.23%	19.59%
MSCI World Infrastructure	0.26%	0.57%	16.91%	-2.96%	7.29%
UK 10 Year Gilts	-0.68%	-1.79%	2.83%	2.91%	-8.18%

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.

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