

Gravis Advisory Limited Voting & Engagement Report

2024

This report is a publication of Gravis Advisory Limited's (GAL) voting and engagement record for the 12 months to 31st December 2024.

Introduction

GAL, a subsidiary of Gravis Capital Management Limited ("Gravis") is the investment manager to four open ended funds, the VT Gravis UK Infrastructure Income Fund, the VT Gravis Clean Energy Income Fund, the VT Gravis UK Listed Property (PAIF) Fund and the VT Gravis Digital Infrastructure Income Fund.



Gravis are infrastructure and real estate specialists. We believe in a long-term approach to investment and seek to deliver stable, predictable returns by investing in companies with sustainable business models and long dated cashflows. We aim to protect capital and deliver a regular income to our investors, with minimal disruptive volatility.

Our long-term approach enables us to engage with investee companies and gives us the opportunity to seek to drive change where appropriate. We believe that integrating active ownership practices into our investment process can help to create more successful and sustainable businesses over the long-term and generate enhanced value for our clients and society at large. We seek to invest in companies that are well-managed and take appropriate account of risks and opportunities.

To support our long-term approach to investment, we implemented a Voting & Engagement Policy in Q4 2022 to which all of the Funds must adhere. This represents our third year of reporting on activities aligned to this policy.

Summary

Engagement

Gravis believes engagement is essential to achieving the best outcome for our clients. We prioritise our engagement activities based on the materiality of the issue and our exposure to the company.

As signatories to the Principles of Responsible Investment (PRI), we 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 long-term shareholder value creation.

The manner of engagement is designed to encourage a long-term dialogue with the companies rather than single conversations to ensure the engagement is thorough. For further information on this process, please see the [Gravis Voting and Engagement Policy](#).

In line with the Gravis Voting & Engagement Policy, in 2024 the Securities Team responsible for the four open ended Funds engaged with investee companies on a range of issues. In instances where multiple Funds have exposure to a given company, in order to achieve maximum impact, the Securities Team sought to collaborate.

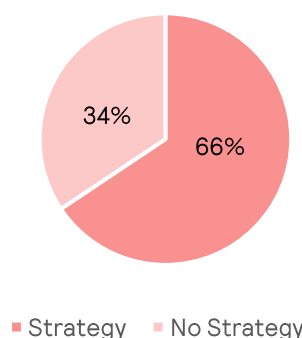
These engagements ranged in topic and included a deep review of a Company's Middle East exposure, as well as in-depth analysis of annual reports, there has also been continued engagement on board remuneration, board size and experience, building on our engagements through the years.

In our 2023 report, we outlined a number of engagement objectives for the upcoming calendar year, with the view of improving our stakeholder reporting. These included: engaging with companies on a variety of issues across all three pillars to build strong relationships, enabling material changes to policies; continue engagement and monitoring of the impact of historical engagement on a multi-year basis to increase the opportunity to improve and develop companies' approaches and identify successes or further opportunities to engage; and reporting on our progress on an annual basis.

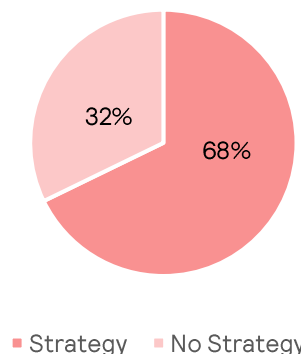
In line with these priorities, we have made good progress this year engaging with companies on a variety of issues. Further information is provided below and specifically within the VT Gravis Clean Energy Income Fund engagement.

In our 2022 Voting & Engagement Report, we looked at the adoption of formal strategies to reach net zero by companies held within the portfolios across the open-ended funds¹. Given the current geopolitical backdrop, this year we revisited the adoption of net zero strategies by holdings within our global funds – the VT Gravis Clean Energy Income Fund and VT Gravis Digital Infrastructure Income Fund. It is pleasing to see the increased adoption of formal net zero strategies by these companies², highlighting a long-term commitment, regardless of political noise.

Global Fund Holdings with a Formal Net Zero Strategy - June 2023



Global Fund Holdings with a Formal Net Zero Strategy - June 2025



¹ Utilising annual reports published between June 2021 and June 2023.

² Source: Company websites, annual reports and Gravis Advisory Ltd analysis. Based on the percentage total number of holdings in the VT Gravis Clean Energy Income Fund & VT Gravis Digital Infrastructure Income Fund as at 30/06/2025.

For specific examples of our engagement activity in 2024 by Fund please see below.

Voting

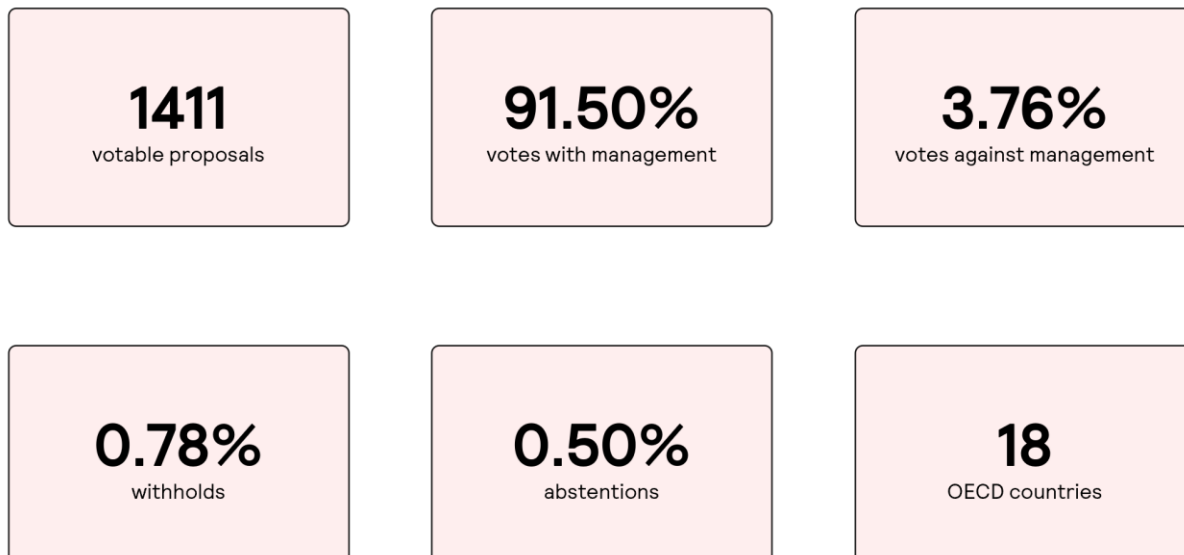
Voting forms an important part of our investment strategy demonstrated by our commitment to the PRI and adherence to the principles of the UK Stewardship Code. In line with the recommendations of the PRI we believe that voting and engagement practices are interlinked.

Our primary aim with all voting decisions is in the long-term interests of our clients, this includes ensuring fair and honest corporate governance and the adoption of socially responsible practices.

Voting is undertaken by the Investment Manager, which will, in turn, utilise the research and recommendations of ISS to inform their voting recommendation. We vote systematically, utilising ISS voting research, predominantly in line with their Sustainability Proxy Voting Guidelines.

Whilst generally we will vote in line with the ISS Sustainability Proxy Voting Guidelines, we retain the right to assess all voting decisions on a case-by-case basis and where our view of best practice for an individual company diverges from that of ISS we will vote in line with our views. For more information on our voting process please see the [Gravis Voting and Engagement Policy](#).

In line with our Voting & Engagement Policy, we aim to vote systematically, for all investee companies, on all resolutions, at all meetings. In 2024, this goal was also achieved³.



³ During the year, there were 49 instances when no vote was registered, despite voting instructions being submitted. This was due to a setup error between the ACD and custodian, with the transition to a new custodian account. The vote instructions followed the ISS and Gravis Voting & Engagement policy recommendation, and the votes were non-material. This issue has now been rectified.

During the year we voted on 1362 votable proposals, in the majority of instances votes were in line with ISS Sustainability Proxy Voting Guidelines.

We do note that diversity quotas can be problematic, particularly in circumstances where companies, often investment trusts, have a small number of board members. In some instances these boards are domiciled in the Channel Islands, where demographic diversity in the immediate workforce is simply not at a level that allows quantitative quotas typically expected from UK boards to be achieved. As such during 2022 and 2023, following a lengthy engagement with ISS, we took the decision to vote in line with the ISS Benchmark Proxy Voting Guidelines (and not in line with ISS Sustainability Proxy Voting Guidelines) in relation to resolutions around ethnic diversity, which excludes investment trusts from this diversity requirement. This decision resulted in a vote in line with the ISS Benchmark Proxy Voting Guidelines in 9 instances during the year.

Where possible, we do however encourage investment trust boards of directors to strive towards a greater degree of ethnic diversity. We also expect at least 33% of the board to be from an underrepresented gender identity. The relationship here between voting and engagement is key and we will vote against or withhold from the chair of the nominating committee if the board lacks 33% representation of an underrepresented gender identity.

Analysis by Fund

1. VT Gravis UK Infrastructure Income Fund

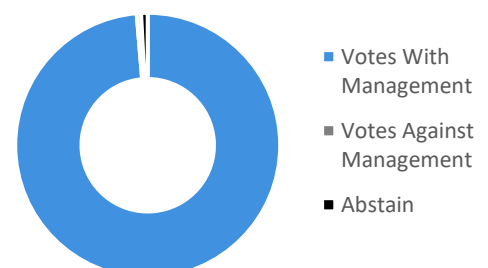
The Fund invests in a diversified portfolio of securities listed in the UK which provide exposure to the UK listed infrastructure sector, with a particular focus on long-dated, government backed/regulated visible cashflows. The Fund aims to deliver regular income, preserve capital and protect against inflation

Example Engagement

During 2024, the Securities Team have had annual report calls and ad-hoc meetings with the management teams to discuss strategy and plans. No new names were added to the portfolio during the period, with all companies being long-term holdings. Secondly, investment in new assets by underlying portfolio companies has been limited owing to the inability to raise new equity capital in prevailing market conditions.

Voting record

	# of votes	%
Votes with Management	370	98.7%
Votes against Management	2	0.5%
Abstain	3	0.8%
	375	



2. VT Gravis Clean Energy Income Fund

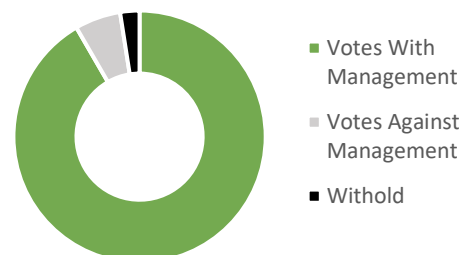
The Fund invests in a portfolio of OECD listed equities operating in the clean energy sector, and whose primary activity involves the generation, development, and operation of clean energy infrastructure.

Example Engagement

Following a client request, the Securities Team conducted a review of the portfolio to determine exposure to a country currently involved in conflict. It was determined that there was no material exposure. Two holdings (combined accounting for 1.42% of the portfolio at 31/12/2024) required greater analysis owing to the geographic proximity of energy infrastructure assets in one instance, and insufficient regional sales breakdown available in the other. In the former, it was established that the company's assets did not service the country concerned. In the latter, it was established that the business generated revenues from the sale of products into the country in question of approximately €70,000, this should be viewed in the context of 2024 global revenues of c.€3.5 billion for the company. The client appreciated the deep dive undertaken by the securities team.

Voting record

	# of votes	%
Votes with Management	406	91.7%
Votes against Management	26	5.9%
Withhold	11	2.5%
	443	



3. VT Gravis UK Listed Property (PAIF) Fund

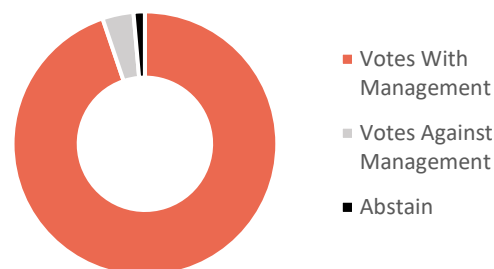
The Fund selects investments in UK listed real estate securities that benefit from and support four demographic and socio-economic trends: ageing population, digitalisation, urbanisation and generation rent. Through investing in companies focused on these themes the Fund benefits society by providing key real estate.

Example Engagement

In June 2024, a self-storage focused REIT held within the portfolio provided EPC ratings data for their portfolio, with the Securities Team noticing inaccuracies in this data. The Securities Team raised this with the portfolio company, with the Head of Sustainability of the REIT reverting and acknowledging the incorrect labelling of the data – 'percentage estate data' was incorrectly presented as 'store data'. This highlights the importance of having a specialist Securities Team, who are experienced in analysing real estate specific data points, and are able to engage with holdings to resolve issues in a timely and effective manner.

Voting record

	# of votes	%
Votes with Management	274	94.8%
Votes against Management	11	3.8%
Abstain	4	1.4%
	289	



4. VT Gravis Digital Infrastructure Income Fund

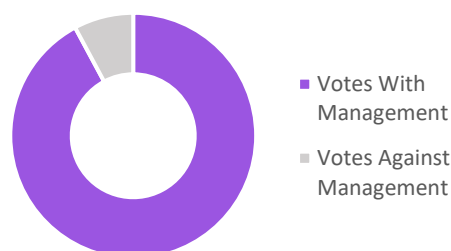
The Fund selects investments in OECD listed securities that own the vital physical assets supporting the digital world. Through investing in companies focused on this theme the Fund benefits society by providing crucial, resilient and innovative infrastructure.

Example Engagement

During 2024, the Securities Team have had annual report calls and ad-hoc meetings with the management teams of the Fund's underlying holdings to discuss strategy and plans, with the company's held within the Fund providing adequate responses to queries, meaning formal engagement activity was not necessary.

Voting record

	# of votes	%
Votes with Management	235	92.2%
Votes against Management	20	7.8%
	255	



Conclusion

We believe that integrating active ownership practices into our investment process can help to create more successful and sustainable businesses over the long-term and generate enhanced value for our clients and society at large. We seek to invest in companies that are well-managed and take appropriate account of risks and opportunities.

Whilst we believe we have made progress in developing and implementing our Voting & Engagement Policy over the years, we know there is more work we can do and having become Investment Manager to the OEIC fund range in October 2024, this is something that we will seek to improve materially.

Prior to 2022 our voting activity was sporadic. This has come a long way between 2022-2024 with votes being cast at all meetings predominantly utilising the ISS Sustainability Proxy Voting Guidelines.

Looking to the future

During 2025, we will seek to continue to develop our engagement approach and monitor progress against engagement objectives, allowing us to further enhance our stakeholder reporting. We aim to:

- Engage with companies on a variety of issues to build strong relationships, enabling material changes to policies;
- Engage with clients to ensure their concerns and priorities are reflected in our engagement with companies;
- Aim of making a material difference when formally engaging;
- Continue to report and improve our progress annually.

Gravis continues to recognise the importance of collaborative engagement activity, not just between our Fund Managers and Research Analysts, but also with external shareholders. As such, we will continue to seek opportunities to engage with external shareholders to take collaborative action. This may include, where appropriate, looking to garner support for engagement with other significant external shareholders sharing a similar perspective, to encourage improvements.