



## Are UK REITs the answer for investors amid market uncertainty?



There's an old saying, "in uncertain times, but land, gold, and ammo." Well, March and the start of April have delivered a modern twist on that survivalist mantra.

**Matt Norris, head of real estate securities at Gravis and Manager of the VT Gravis UK Listed Property (PAIF) Fund, commented:**

*"Gold has done what it always does in turmoil — quietly outperformed as investors have sought safety. But the other standout? UK Property. Specifically, next-generation real estate, reminding us of its diversification benefits."*

### Key take-outs:

- UK REITs are adding diversification
- At a 30% discount to NAV they are undervalued
- UK Core Real Estate is predicted to generate circa 7.5% AGR over next 10 to 15 years

Over the past few weeks – and year to date – the VT Gravis UK Listed Property Fund posted strong returns, driven by exposure to UK REITs aligned with long-term structural trends: ageing population, digitalisation, generation rent and urbanisation.

In a period that shook the markets, owning the right kind of land — and the right kind of gold — still paid off. Ammo? Let's hope we never need that.

Looking ahead, could actively-managed undervalued UK REITs (trading at circa 30% discount to NAV vs a 10-year average of 17.4%\*) offer a tariff-resilient anchor in investor portfolios?

With elevated levels of economic and market uncertainty, alternative sources of reliable contractual income, such as rent from next generation critical real assets, may be highly valuable to investors once again!

These attributes have not escaped the attention of private equity and international bidders who are looking to acquire some of the best UK REITs.

Indeed, in the most recent JPM Guide to Markets UK Core Real Estate is predicted to generate circa 7.5% AGR over next 10 to 15 years which places the asset class in 3<sup>rd</sup> position for all asset classes!

*\*as at 31 March 2025*

Index/Fund	Returns 1 March–22 April 2025**	Returns year to date**
Bloomberg Gold Sub	12.67%	20.50%
VT Gravis UK Listed Property	10.58%	9.97%
MSCI UK IMI Core Real Estate	3.69%	5.14%
FTSE 100	-5.26%	2.61%
FTSE All World	-13.97%	-12.06%
S&P 500	-18.55%	-17.98%

**\*\*Source: FE Analytics, total returns in sterling, 1 March – 22 April 2025 and 1 January–22 April 2025**





### **Important information**

*This article is issued by Gravis Advisory Limited ("GAL"), which is authorised and regulated by the Financial Conduct Authority. GAL's registered office address is 24 Savile Row, London, United Kingdom, W1S 2ES. The company is registered in England and Wales under registration number 09910124.*

*VT Gravis UK Listed Property (PAIF) Fund (the "Fund") is a sub-fund of VT Gravis Real Assets ICVC, which is a non-UCITS retail scheme and an umbrella company for the purposes of the OEIC Regulations. The Fund is a Property Authorised Investment Fund ("PAIF"). Valu-Trac Investment Management Limited is the Authorised Corporate Director of VT Gravis Real Assets 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 article 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) market risk, counterparty risk, inflation and interest rate risks and the risks of investing in real estate and related industries. Please see the Risk Factors section in the Prospectus for further information.*

*This article 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. It is not intended for distribution to, or use by, any person or entity in any jurisdiction or country where such distribution or use would be contrary to local law or regulation. Any recipients outside the UK should inform themselves of and observe any applicable legal or regulatory requirements in their jurisdiction.*