GRAVIS
DIGITAL
INFRA

Five years of investing in digital infrastructure: a growing opportunity for income investors

Five years ago, the TM Gravis Digital Infrastructure Income Fund was launched with a clear investment thesis: to invest in the physical infrastructure that enables the digital economy. From data centres and mobile telecommunication towers to e-commerce logistics facilities and fibre networks, the Fund was built around a simple idea, as the world becomes increasingly digital, the physical assets that make digitalisation possible should play an increasingly important role in investors' portfolios.

Five years later, that investment thesis has only become stronger.

The 'Fourth Industrial Revolution' continues to accelerate. Generative AI has moved rapidly from early innovation to widespread adoption. Demand for 5G connectivity continues to grow globally, outpacing population growth, while consumer demand for faster and more convenient online shopping continues to expand. All of this is creating increasing demand for the very infrastructure the Fund invests in.

Data centres, logistics warehouses and telecommunications infrastructure are no longer niche areas of the property market. They have become critical infrastructure supporting the global economy.

The past five years have not been without challenges. Rising interest rates created a more difficult environment for real assets globally. However, throughout this period, the underlying companies held within the Fund continued to perform strongly, expanding capacity and growing dividends.

As the Fund reaches its fifth anniversary, it is an opportunity to reflect on how digital infrastructure has evolved from a specialist investment theme to become the backbone of the modern economy.

How the portfolio has performed over five years

Since launch to the end of May 2026, the Fund has delivered a total return of 11.2% (C Acc), while also generating consistent income distributions totalling 12.6p (C Inc)*.

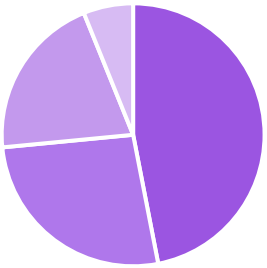
Over the period, the Fund's investment strategy has remained highly consistent, providing investors with diversified exposure to companies that own physical assets critical to the digital economy.

This consistency is reflected in the portfolio.

Back in 2021, the Fund's largest holdings were American Tower (7.5%) and Prologis (7.2%)*.

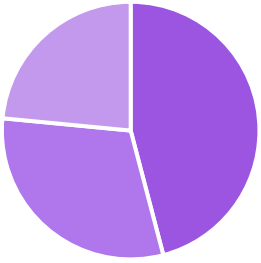
Five years later, those remain the Fund's two largest positions, representing 7.8% and 8.1% respectively, after including both equity and corporate bond holdings*.

May 2021 portfolio exposure



Logistics 46% Towers 26%
Data centres 20% Networks 6%

May 2026 portfolio exposure



Logistics 45% Towers 30%
Data centres 23%

This highlights an important feature of the investment approach: a long-term investment horizon.

Portfolio turnover has averaged less than 10% per year*, reflecting a disciplined approach focused on long-term structural growth opportunities rather than short-term market movements.

That said, the portfolio has continued to evolve as new opportunities have emerged.

Since inception, the Fund has benefited from eight merger and acquisition transactions*, receiving an average 29% premium to undisturbed share prices.

Capital from those transactions has been redeployed into new opportunities including First Industrial and CTP within logistics, Digital Core REIT within data centres, and Helios Towers within telecommunications infrastructure.

The Fund has also participated in several capital raises, including NEXTDC and Keppel DC REIT.

Strengthening the strategy through corporate bonds

In May 2026, the Fund introduced corporate bonds as part of an enhancement to the investment strategy.

The objective is twofold: to increase portfolio yield and reduce volatility, while maintaining exposure to the same underlying businesses that own critical digital infrastructure assets.

As part of this expansion, Albane Poulin joined the team as Fixed Income Fund Manager.

The first six bonds added to the portfolio were all issued by companies where the Fund already holds equity positions, including Cellnex, Equinix and Goodman.

These investment-grade bonds provide an attractive yield pick-up relative to the dividend yield available on the corresponding equities, particularly on a currency-hedged basis. For example, the Goodman bond, which carries a 4.25% coupon and matures in 2030, currently offers a yield pick-up of more than 4% relative to the company's equity dividend yield*.

The addition of corporate bonds enhances the Fund's toolkit, allowing the investment team to access the same structural growth themes through multiple parts of the capital structure.

The growth outlook for digital infrastructure

Looking ahead, the outlook for digital infrastructure remains highly positive and the structural trends supporting demand across the Fund's core sectors continue to strengthen.

Logistics

Prologis expects e-commerce penetration in the US to increase from approximately 24% today to almost 30% of core retail goods sales by 2030**. Importantly, every 1% increase in e-commerce penetration requires an additional 50–70 million square feet of industrial space.

Mobile telecommunications towers

Ericsson forecasts global 5G subscriptions will reach 6.4 billion by 2031, up from close to 3.3 billion today***. This continued growth will require significant ongoing investment in telecom tower infrastructure worldwide.

Data Centres

JLL projects total global data centre capacity will nearly double to around 200 GW by 2030, adding almost 100GW of new capacity****. Demand is also becoming increasingly diversified, with artificial intelligence now joining cloud computing as a major driver of future growth.

Positioned for the next phase of growth

This positive backdrop is reflected in the outlook for the companies held within the Fund. The portfolio's forward equity dividend yield currently stands at 3.6% and is forecast to grow by 6.1% this year*.

Current analyst price targets suggest potential share price upside of approximately 16%*.

The Fund's new corporate bond allocation offers a GBP-hedged yield of 5.1%, while maintaining a relatively short average weighted life of just over three years*.

As the Fund enters its sixth year, the investment case remains compelling. The Fund now benefits from a broader investment toolkit, a wider opportunity set and continued exposure to a fundamental structural shift that continues to accelerate globally.

Most importantly, it continues to offer investors a differentiated strategy focused on generating defensive, income-led returns from a diversified portfolio of companies benefiting from the ongoing digitalisation of the global economy.

As demand for digital infrastructure continues to grow, the long-term opportunity set remains firmly in place.

Find out more about TM Gravis Digital Infrastructure Income Fund here or contact your sales representative:

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**Source: Gravis*

***Source: Prologis Research, The E-commerce Boom Isn't Over: Implications for Logistics Real Estate (March 2025) Prologis-Research-E-commerce-Paper.pdf*

****Source: Ericsson Mobility Report, June 2026*

*****Source: 2026 Market Outlook for Global Data Centers | JLL Research*

Important information

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The Authorised Fund Manager of TM Gravis Funds ICVC is Thesis Unit Trust Management Limited (TUTMAN), Exchange Building, St John's Street, Chichester, West Sussex, PO19 1UP. TUTMAN is authorised and regulated by the Financial Conduct Authority. GAL is the investment manager of the Fund.

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