Six charts showing how you can diversify your AI bets

The excitement around AI has pushed a lot of money into a small corner of the market. That's great when it works, but history and market movements in the past few weeks remind us that even the strongest themes can wobble.

Property, on the other hand, has tended to chug along steadily in the background, quietly delivering a growing income and, at times, surprisingly strong returns.

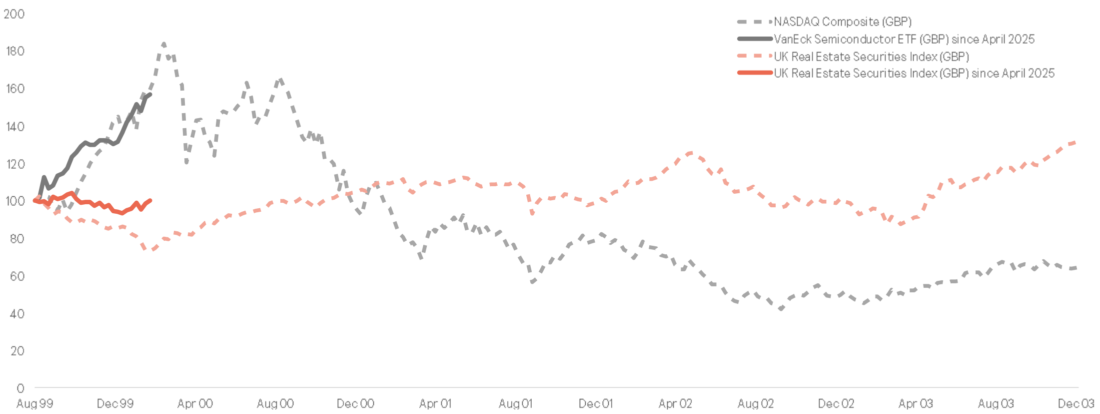
Matthew Norris, manager of the TM Gravis UK Listed Property (PAIF) Fund, and James Peel, senior research analyst, share six charts from their latest update that show why UK listed property can sit neatly alongside AI-driven equity exposure.

1. When tech stumbled, property stepped up

This chart looks back to the dotcom era. As the NASDAQ fell more than 60%, UK property shares rose around the same amount. It's a simple reminder that different parts of the market can move in very different ways, and that steady rental income behaves nothing like high-growth tech.

REMEMBERING 2000 - WHEN TECH FALTERED, PROPERTY FLOURISHED

From the dotcom peak, the NASDAQ plunged 60% and UK property shares surged 60% — a reminder of the resilience potential in REITs.
As market euphoria fades, REIT income has historically shown resilience — supported by contractual rents.
Amid AI-driven market optimism, REIT income continues to grow — supported by next-generation real estate.



Past performance is not necessarily a guide to future performance. Source: European Public Real Estate Association (EPRA) and Gravis Advisory Ltd. For illustrative purposes only. Rebased 31.08 .99. Data as at 30.09.25.

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2. UK REITs are trading at unusually wide discounts

UK REITs remain at deep discounts to their net asset values. The last reported market discount was -31% compared with a 10-year average of -18.7%. For long-term investors, this creates an entry point that doesn't rely on perfection or momentum. Discounts of this size have historically been followed by strong one- and two-year returns.

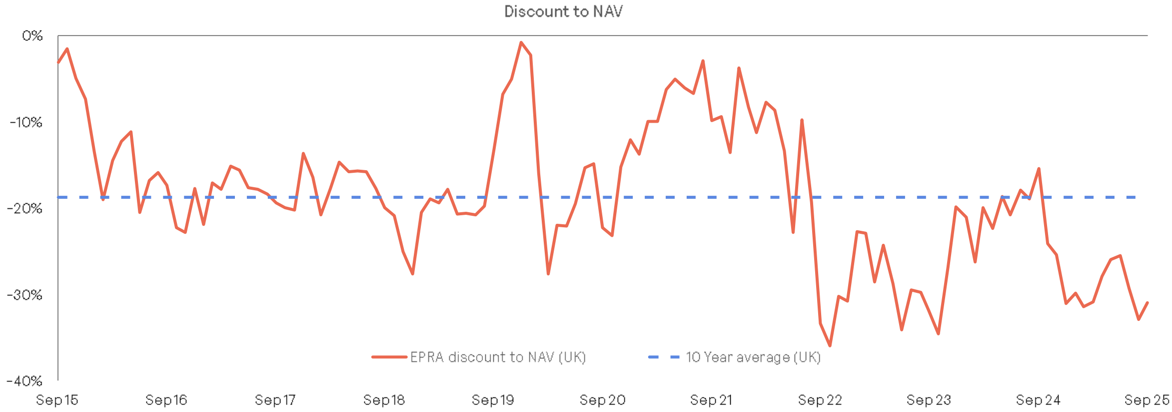
ATTRACTIVE VALUATION LEVELS

UK REITs trading at historically wide discounts, presenting a potentially attractive entry point as property values stabilise.

Last reported market discount -31.0% versus 10-year average discount -18.7%.

GULP trades at an estimated -30.6% discount to Warranted NAV.

Wide discounts and increasing property values offer a rare opportunity.



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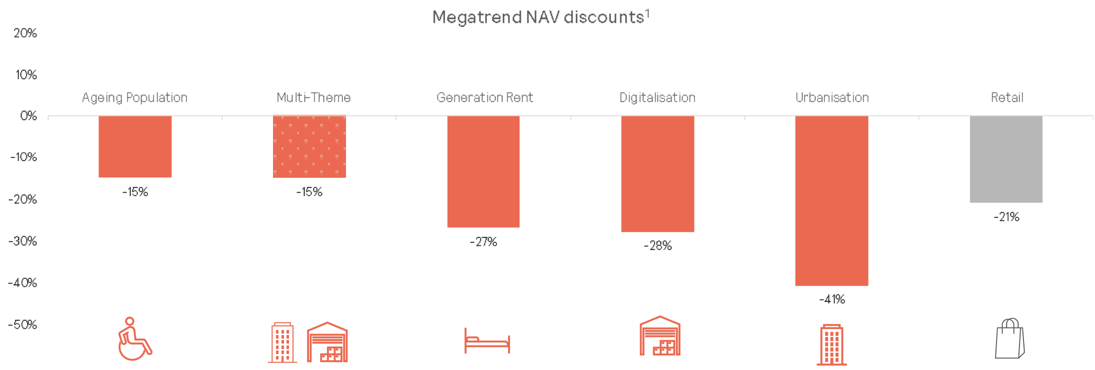
3. Megatrend real estate is also cheap

Even areas supported by long-term themes — such as aging population, digital infrastructure, generation rent and urbanisation — are trading at discounts. These aren't speculative corners of the market. They're businesses with stable tenants and predictable cashflows, yet they're valued as if the world is still in the middle of a rate shock.

ATTRACTIVE MEGATREND VALUATIONS

Even high-quality real estate is trading at a discount to reported NAV.



	Ageing Population	Multi-Theme	Generation Rent	Digitalisation	Urbanisation	Retail
Portfolio weight	14%	22%[2]	22%	26% (incl 7% in Segro)	11%	0%
ETF Weight[3]	6%	30%[3]	12%	33% (incl 19% in Segro)	13%	6%

Source: Gravis Advisory Ltd. [1]Unweighted average discount to NAV of portfolio holdings. NAV is the net asset value reported by the company, typically this is the EPRA Net Tangible Asset. [2]Multi-theme REITs and real estate companies, the portfolio has no exposure to the diversified 'UK majors'. [3] Based on the iShares UK Property ETF. ETF Multi-theme weight include 'UK majors' and general diversified REITs. Data as at 30.09.25. Note: weights exclude cash.

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4. Property yields remain attractive and stable

Prime property yields have held firm and, in some cases, started to compress again. Against the c.1% yield on index-linked gilts, listed property's c.5% dividend yield stands out. For anyone funding long-term liabilities, that level of income is hard to ignore.

STABLE VALUATION YIELDS

Valuation yields across high-quality UK real estate have stabilised, with select sectors now showing signs of yield compression.
In September, UK prime property yields held at 5.9% for the seventh month, with four sectors showing modest compression[1]

Property valuation yields

	Urbanisation	Generation Rent	Ageing Population	Digitalisation	Retail	Regional offices
Trend	Positive	Stable	Stable	Stable	Stable / Positive	Stable / Negative
Yield	4.0 – 4.75%	4.0 – 4.25% +	4.50 – 5.75%	5.0 – 5.25%	7.25 - 10.0%	6.50 – 11.5% +

These indicators are not necessarily a guide to future performance. [1] Market in Minutes: UK Commercial, 09.10.25, Savills. Source: Gravis Advisory Ltd, Knight Frank, and Savills.

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5. The M&A market is telling its own story

While retail investors have been sitting on the sidelines. private equity and corporates have been buying UK listed property at pace.

SEIZING THE M&A MOMENT

Private equity and corporate M&A signal strong conviction in UK listed property, supported by attractive valuation opportunities.
Ask for the best and final offer ("no-increase statement") — more upside may yet come.
Maximise value — engage the board and speak up publicly.

Portfolio Target	Bidder/Activist	Undisturbed Date	Premiums	
			vs share price	vs asset value
The PRS REIT plc	Waypoint	Oct 24	+11%	-17%
ESP Empiric Student Property	UNITE STUDENTS	Jun 25	+10%	-10%
BIG YELLOW SELF STORAGE	Blackstone	Oct 25	+23%	-7%
		Average:	**+15%**	**-11%**

Past performance is not necessarily a guide to future performance. Source: Gravis, Bloomberg. Data to: 22.10.25

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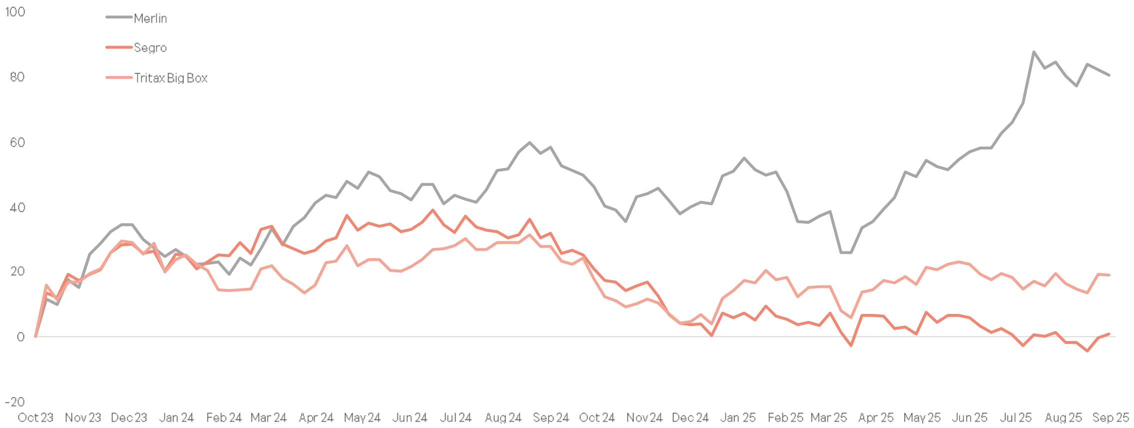
6. A different way to play the AI boom: digital infrastructure

Investors often think of AI as purely a software or semiconductor story, but the physical backbone matters just as much. Data centres are essential for AI to function and several UK REITs are directly involved in this build-out. Some names in the market have already taken meaningful steps into data centres, yet share prices haven't really caught up with the scale of the opportunity. It's a way to tap into AI's growth without relying on the crowded parts of the tech sector.

VALUATION RESPONSE OPPORTUNITY

UK REITs yet to be rewarded for data centre growth initiatives.
Segro and Tritax Big Box have seized the data centre initiative, yet the response has lagged Spain's Merlin Properties.

Total return of UK and Spanish data centre names



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The takeaway for investors

AI is an exciting theme, but it isn't a risk-free one. Pairing high-growth technology exposure with undervalued, income-producing property is a straightforward way to diversify. The TM Gravis UK Listed Property Fund focuses on UK REITs backed by long-term structural trends — including the digital infrastructure needed to power the AI future.

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