



The HALO effect: why real assets are back in favour

Markets have a habit of distilling major shifts into neat acronyms. The durable ones capture a rotation in capital, not merely a clever turn of phrase. HALO (Heavy Assets, Limited Obsolescence) reflects the prevailing instinct. With parts of the equity market vulnerable to AI-driven disruption, investors are rediscovering the comfort of businesses anchored in real assets.

From a UK real assets perspective, this is less a new theme than a reappraisal. For much of the past decade, capital has chased scalability, optionality and growth duration. Today, the pendulum is swinging back toward cashflow visibility, asset backing and contractual resilience.

The HALO thesis in practice

At its core, HALO is about owning or lending against physical assets that matter, endure and get paid.

Infrastructure epitomises this. Whether it is renewable energy generation, social housing, healthcare facilities or digital networks, these are assets with three defining characteristics:

- **Physical necessity:** they provide essential services to society
- **Long-term contracts:** often supported by government or regulated frameworks
- **Low obsolescence risk:** a hospital or grid connection is not easily disrupted by code

This is precisely the segments targeted by Gravis. For the past 15 years, our strategies have focused on lending to, or investing in, what the world can't do without: critical infrastructure with predictable, long-term revenue streams.

In a market increasingly questioning the durability of earnings elsewhere, that combination is resonating again.

Income you can underwrite

The HALO trade is not just about defence, it is also about income. Infrastructure strategies have historically offered attractive, predictable income streams and lower correlation to traditional equities and bonds. Cashflows are typically contracted, often government-backed, and frequently inflation-linked.

That is still the case today. For example, GCP Infrastructure Investments Limited ("GCP") specifically target projects that benefit from public-sector backed contracted cash flows. The TM Gravis UK Infrastructure Income Fund can similarly invests in listed companies that build,



own, operate and maintain utility scale infrastructure projects that can deliver inflation-linked dividend growth.

Portfolios of UK infrastructure loans and listed assets can also deliver yields materially above base rates, supported by contracted revenues and asset security. GCP has a yield in excess of 9%*, while TM Gravis UK Infrastructure Income has a yield in excess of 6%*.

Lower disruption risk

“Limited Obsolescence” is perhaps the most underappreciated element of HALO.

Technological change is accelerating, but the demand for core infrastructure is relevant as ever:

- Data centres rely on high-speed fibre networks and cheap power to capture the benefits of digitalisation.
- Renewable energy assets are central to solving the energy trilemma.
- Transportation infrastructure plays a fundamental role in supporting economic activity and functioning of supply chains as well as connecting people and cultures.
- Social infrastructure remains structurally important to support communities and underpins economic security.

Indeed, many infrastructure assets are enablers of change rather than victims of it. The Gravis Net Zero Fund will specifically target assets that support decarbonisation, whilst TM Gravis Digital Infrastructure Income invests in the physical real estate that is essential to digitalisation.

This positions real assets not as legacy exposures, but as critical components of future growth. Downside protection comes from the embedded resilience of real assets underpinning the advancement of macro trends. Couple this with policy tailwinds and the current valuation opportunity in the listed infrastructure sector, and a compelling entry point has been created offering both yield today and structural relevance tomorrow.

A core allocation, not an alternative investment

In a world where technology is accelerating change, we think it makes sense to anchor part of your portfolio in assets that are essential, contracted and built to last.

HALO is not a fad. It is a recognition that durability, visibility and asset backing are being reassessed. Perhaps it's time real assets were used not as an alternative investment, but as a core allocation in an increasingly uncertain market landscape.

**Source: Gravis, as at 28 February 2026*



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