

Three new themes strengthening the 2026 investment case for real assets

Three distinct but increasingly connected themes are helping to strengthen the case for listed real assets in 2026: HALO, PACE and LAPS.

Taken together, they help frame why infrastructure and listed property may be entering a more supportive phase, not simply as defensive diversifiers, but as increasingly relevant allocations for income-focused portfolios.

For wealth managers and financial advisers, these themes provide a useful framework for thinking about where durable income, valuation support and structural demand may intersect.

A new market rotation: real assets are moving back into favour (HALO)

One of the clearest market developments this year has been the rotation to physical asset-backed businesses. This has been described as the HALO trade: Heavy Assets, Limited Obsolescence.

After a prolonged period where capital has concentrated heavily in technology, software and long-duration growth assets, investors are increasingly reassessing the resilience of those earnings streams. In that environment, businesses backed by tangible assets and contractual cashflows are regaining attention.

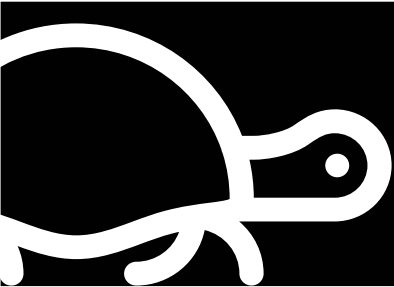
The HALO thesis rests on three key characteristics:

- Physical necessity: infrastructure assets provide services society cannot function without
- Long-term contractual revenues: often supported by regulated frameworks or government-backed agreements
- Limited obsolescence risk: essential infrastructure is far less vulnerable to technological disruption or AI displacement than many other sectors

Infrastructure is not just insulated from technological change. In many cases, it also enables it. For example, digitalisation requires fibre networks, data centres, energy supply and grid investment.

For investors, this combination creates an increasingly compelling proposition: long-duration assets, visible cashflows and lower disruption risk, often at a time when broader equity market valuations remain concentrated in fewer sectors.

For strategies such as GCP Infrastructure Investments, TM Gravis UK Infrastructure Income, TM Gravis Clean Energy Income and TM Gravis Digital Infrastructure Income the HALO framework reinforces an investment case built on predictable income streams and physical asset backing.



UK property: compounding income matters as much as asset value (PACE)

If HALO explains why physical assets are regaining favour, PACE adds another layer to the property investment case.

PACE stands for Physical Assets, Compounding Earners, and it shifts the focus from simply owning assets to owning property businesses capable of growing income over time.

This is an important distinction. In listed property, returns have historically been associated with asset valuation movements. But Gravis's Matthew Norris argues the more durable source of long-term returns increasingly comes from operational execution: active management of assets to improve rents, occupancy and dividend growth.

This is particularly relevant in sectors such as healthcare property, self-storage, logistics and urban mixed-use assets.

These are often mission-critical assets where tenants depend on the property to operate, giving landlords stronger pricing power and greater income resilience.

The PACE philosophy centres on a simple but powerful principle: Always Be Compounding. That compounding is visible in the dividend records of several UK listed property companies held within the TM Gravis UK Listed Property strategy, including businesses that have delivered more than a decade of consecutive dividend growth.

For advisers, this changes the conversation around property allocations. Rather than viewing UK listed property solely through the lens of cyclical valuation recovery, PACE positions it as a source of steadily compounding contractual income, with the potential for inflation protection and long-term dividend progression.

In a market still heavily concentrated in AI-related equities, this offers a differentiated return driver: physical assets generating recurring income rather than relying purely on future earnings expectations.

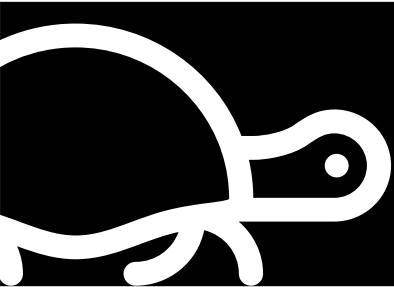
A major structural catalyst: the emerging LAPS trade

The third theme is LAPS: Listed Assets for Pension Schemes.

The Government's Mansion House reforms, alongside the recently enacted Pension Schemes Act, are expected to direct substantial pension capital towards infrastructure, property and other long-duration productive assets over the coming years.

In fact, the Government estimates the reforms could unlock £50bn for investment into private assets, with £25bn expected to be directed towards the UK economy by 2030.

While much of the attention has so far focused on private market investing, under the new legislation, pension schemes can now meet these allocation requirements through listed investment vehicles, including investment companies and funds investing in them, provided qualifying criteria are met. These include GCP Infrastructure Investments Limited, TM Gravis UK Infrastructure Income and TM Gravis UK Listed Property.



GCP
INFRA

GRAVIS
UK
INFRA

GRAVIS
UK
LISTED
PROPERTY

GRAVIS
CLEAN
ENERGY

GRAVIS
DIGITAL
INFRA

What's significant is that much of the listed infrastructure and property market currently trades on substantial discounts to NAV, despite owning long-duration, inflation-linked and operationally essential assets.

For pension capital, this presents an interesting opportunity:

- Immediate access to productive assets
- Daily liquidity
- Governance and transparency
- No cash drag versus some private market structures
- Potential access to assets at discounts to underlying value

For wealth managers and advisers, LAPS could become an important catalyst beyond pensions themselves.

If pension flows begin to return to UK productive assets at scale, improved liquidity, narrowing discounts and broader institutional participation could create a meaningful rerating environment across listed infrastructure and property.

Creating a coherent investment narrative

HALO, PACE and LAPS are separate ideas, but together they create a coherent investment narrative.

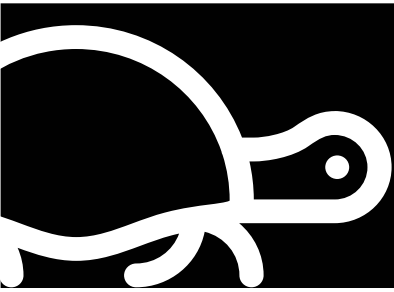
- HALO strengthens the case for essential, lower-obsolence infrastructure assets
- PACE reframes listed property as an income-compounding allocation, not just a valuation trade
- LAPS introduces a structural demand catalyst that could help close persistent valuation discounts

At a time when many client portfolios remain heavily exposed to concentrated global equity leadership, UK listed real assets offer a different set of characteristics:

- Contracted and often inflation-linked cashflows
- Lower correlation to traditional equities
- Tangible asset backing
- Potential valuation upside from discount narrowing
- Long-term structural relevance

After a prolonged period of under-ownership, the backdrop for UK real assets may be changing.

And if 2026 marks the beginning of a broader reallocation back towards productive capital, HALO, PACE and LAPS may prove useful frameworks for understanding where that opportunity sits.



GCP
INFRA

GRAVIS
UK
INFRA

GRAVIS
UK
LISTED
PROPERTY

GRAVIS
CLEAN
ENERGY

GRAVIS
DIGITAL
INFRA

Important information

This document is issued by Gravis Advisory Limited (“GAL”), and Gravis Capital Management Limited (the “Investment Adviser” or “GCM”) and is for information purposes only. Both GAL and GCM are authorised and regulated by the Financial Conduct Authority and their registered office address is 24 Savile Row, London, United Kingdom, W1S 2ES.

TM Gravis UK Infrastructure Income Fund, TM Gravis Clean Energy Income Fund and TM Gravis Digital Infrastructure Income Fund (the “Funds”) are sub-funds of TM Gravis Funds ICVC, which is a UK UCITS scheme and an umbrella company for the purposes of the OEIC Regulations.

TM Gravis UK Listed Property (PAIF) Fund (the “Fund”) is a sub-fund of TM 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”).

The Authorised Fund Manager of TM Gravis Funds ICVC and TM Gravis Real Assets 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 Funds.

Neither GAL nor GCM offer investment advice and this article should not be considered a recommendation, invitation or inducement to invest in a Fund, or subscribe for, dispose of or purchase any such securities or enter into any other transaction in the GCP Infrastructure Investments Ltd (the “Company”) or any other fund affiliated with Gravis. Prospective investors are recommended to seek professional advice before making a decision to invest. The merits and suitability of any investment action in relation to securities should be considered carefully and involve, among other things, an assessment of the legal, tax, accounting, regulatory, financial, credit and other related aspects of such securities.

Any decision to invest in a 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.

Past performance is no guarantee of future performance.

Your capital is at risk and you may not get back the full amount invested. Prospective investors should consider the risks connected to an investment in a Fund or Company, which include (but are not limited to) counterparty risk, inflation and interest rate risk and volatility. Please see the Risk Factors section in the Prospectus for further information.

No undertaking, representation, warranty or other assurance, express or implied, is made or given by or on behalf of the Company, the Investment Adviser or any of their respective directors, officers, partners, employees, agents or advisers or any other person as to the accuracy or completeness of the information or opinions contained in this article and no responsibility or liability is accepted by any of them for any such information or opinions or for any errors, omissions, misstatements, negligence or otherwise for any other communication written or otherwise. In addition, neither the Company or the Investment Adviser undertake any obligation to update or to correct any inaccuracies which may become apparent. The information in this article is subject to updating, completion, revision, further verification and amendment 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.