

Same companies, stronger income:

Three things to know about our bond allocation

In May 2026, five years after launch, the TM Gravis Digital Infrastructure Income Fund added short-dated corporate bonds to its portfolio. The aim was to raise the Fund's income and reduce its volatility, without changing what it invests in. Here's what that means in practice.

1. It's the same companies, just a different part of the capital structure

The Fund has always owned shares in the companies behind the digital economy's physical assets: data centres, mobile towers and e-commerce logistics warehouses. It has achieved this by investing in a diversified portfolio including REITs and equities listed in developed nations.

The new bond allocation lends to those same businesses, so the Fund is just investing in a different part of the capital structure of companies the team already knows well. The first six bonds added were all issued by companies the Fund already holds as equities, including Cellnex, Equinix and Goodman. Every bond comes from within the team's existing research universe, so the Fund isn't stretching into unfamiliar names to chase yield.

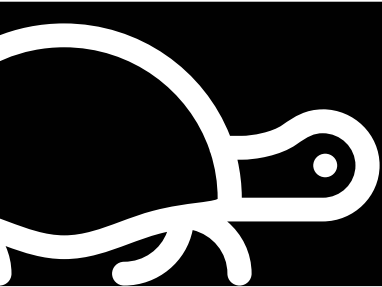
The Fund's investment objective is unchanged. Bonds are capped at 20% of the portfolio, the limit allowed by the Fund's sector, the IA Listed Property. The initial allocation was 15–16%, spread across six positions of 2–2.5% each. That is in line with how the Fund sizes its equity holdings.

2. It's designed to raise income and reduce volatility

The bonds the Fund has added are investment grade, meaning they are rated BBB– or above by credit rating agencies and so carry a lower assessed risk of default. They also pay more than the dividends on the same companies' shares. For example, Goodman's 4.25% bond maturing in 2030 offered a yield pick-up of more than 4% over the company's equity dividend yield at the time of purchase.

Across the allocation, their average weighted life is three to four years. The team intends to hold them to maturity rather than trade them.

The bonds are also likely to be less volatile than equities. Because the credit spread is only a small part of a bond's total return, short-dated bond prices tend to react less to market shocks than share prices do. Even if spreads widen, the impact on the bonds should be meaningfully smaller than the likely fall in equities in a sell-off.



3. It builds on long-standing Gravis expertise

Bonds are not new territory for Gravis. Our flagship vehicle, GCP Infrastructure Investments Limited, is an infrastructure debt strategy. The TM Gravis UK Infrastructure Income Fund has also held a small number of bonds since it launched in 2015.

To lead bond selection, Albane Poulin, Gravis's Head of Private Credit, has joined the Fund's team as Fixed Income Fund Manager. Albane has 20 years of credit experience. Before joining Gravis she was Head of European Private Placements at Aberdeen, where she also led a fund investing in both public and private credit. Matthew Norris keeps overall responsibility for security selection and capital allocation, supported by Senior Research Analysts James Peel and Shayan Ratnasingam.

TM Gravis Digital Infrastructure Income Fund
Investment Team

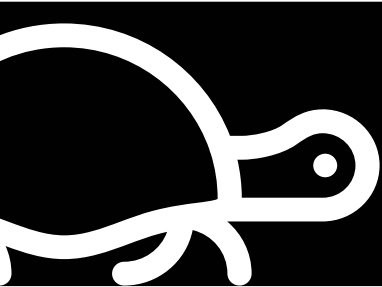
	Matthew Norris Lead Fund Manager		James Peel Senior Research Analyst
	Albane Poulin Fixed Income Fund Manager		Shayan Ratnasingam Senior Research Analyst

Gravis 

What hasn't changed

Fees are still capped and dealing terms are the same, and the Fund remains a daily-dealt UK UCITS. The addition of bonds is permissible under the Fund's existing prospectus, with the Fund able to invest in a diversified portfolio of transferrable securities. The Fund also continues to follow the 5/10/40 rule: no single issuer, counting its debt and equity together, can exceed 10% of the Fund, and positions above 5% can't add up to more than 40%.

Bonds do bring their own risks, chiefly credit risk if an issuer fails to pay interest or repay capital. However, we believe that by keeping maturities short, staying diversified and lending only to companies we know well from the equity side keeps that risk well understood and manageable.



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

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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