

SHINING A LIGHT ON THE..... VT Gravis UK Infrastructure Income Fund

AT A GLANCE

| Investment Objective |
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| The investment objective of the VT Gravis UK Infrastructure Income Fund is to generate income and preserve capital with potential for capital growth. The fund will aim to meet its objectives by investing primarily in equities (which are mainly listed in the United Kingdom and whose primary activity is in the wider infrastructure sector of the United Kingdom). In addition to investing in equities, the sub-fund may also invest in other transferable securities, bonds, collective investment schemes, money market instruments, deposits, cash and near cash. |

| | |
|----------------------------|---|
| Inception Date | 25 January 2016 |
| Fund Factsheet Link | https://www.morningstar.co.uk/uk/funds/snapshot/snapshot.aspx?id=F00000WSJQ |

| Management | |
|---------------------|-------------------|
| Manager Name | Start Date |
| William Argent | 25 January 2016 |

| Investment Style Details | |
|------------------------------|--------------------|
| Equity Style | |
| Market Capitalisation | % of Equity |
| Giant | 0.00% |
| Large | 37.15% |
| Medium | 20.11% |
| Small | 42.74% |
| Micro | 0.00% |

| Top 10 Holdings | | |
|---|--------------------|--------------------|
| Total number of holdings | 27 | |
| Assets in Top 10 Holdings | 61.31% | |
| Name | Sector | % of Assets |
| Sequoia Economic Infrastructure Inc Ord | - | 8.54% |
| GCP Infrastructure Investment Ord | - | 7.70% |
| JLEN Environmental Assets Group Ord | - | 7.45% |
| Renewables Infrastructure Grp | - | 7.37% |
| GCP Asset Backed Income | - | 6.44% |
| NextEnergy Solar Ord | - | 5.11% |
| HICL Infrastructure PLC Ord | - | 4.92% |
| Foresight Solar Ord | - | 4.68% |
| Virgin Money UK PLC | Financial Services | 4.63% |
| Bluefield Solar Income Fund | - | 4.47% |

| Volatility Measurements | |
|-----------------------------------|-------|
| 3-Yr Std Dev (volatility) | 8.65% |
| 3-Yr Mean Return (average) | 4.34% |

FUND PERFORMANCE

Performance from 25 January 2016 to 30 April 2020:

| | 2016 | 2017 | 2018 | 2019 | 2020 |
|--|--------|--------|--------|--------|---------|
| VT Gravis UK Infrastructure Income Fund | 11.61% | 4.43% | 2.05% | 19.49% | -7.74% |
| Vanguard FTSE UK All Share Index | 23.81% | 13.00% | -9.65% | 19.04% | -21.49% |

Performance over 12 months, 3 years and since launch:

| | 12 months | 3 years | Since launch |
|---|-----------|---------|--------------|
| VT Gravis Clean Energy Income Fund | 1.24% | 13.59% | 31.12% |
| Vanguard FTSE UK All Share Index | -17.17% | -7.92% | 18.14% |

You should note that past performance is not a reliable indicator of future returns and the value of your investments can fall as well as rise. The total return reflects performance without sales charges or the effects of taxation, but is adjusted to reflect all on-going fund expenses and assumes reinvestment of dividends and capital gains. If adjusted for sales charges and the effects of taxation, the performance quoted would be reduced.

UPDATE....

These updates have been written at the time of the Coronavirus Pandemic in 2020, which has impacted the global financial markets in a way that has never been seen before.

The fund provides exposure to the broader UK listed infrastructure sector, with a focus on long-dated visible cash flows backed by the government or within a regulated framework. It aims to deliver a target income of 5% p.a.

The main types of investments focus on health, education, emergency services, power etc. It looks to hold a minimum of 22 holdings, and currently has 27 with the maximum holding size being 9.5%. They have a maximum weighting of 20% to demand-based projects such as toll roads.

The fund is not immune to market falls and at the lowest point the fund was down -25.66%, but it has quickly recovered and is now down -8.57% vs the FTSE All Share, which is down -21.48%. The aim for the fund is not to fall as much as the broader markets, and it has benefited from the rally as people head to alternative assets.

They are confident that the fund can continue to deliver the income with 91% of the holdings confirming current dividends in line with expectations. Only one company, which represents 2% of the fund, has reduced their dividend. 33% of the fund is invested in renewable power generation, of which 64.8% of this has income funded by subsidies and fixed price agreements. 23% of the fund is in infrastructure debt and secured lending.

The fund has about 18% exposure to property which includes primary care (GP surgeries), accommodation (social housing, student accommodation etc) and logistics (for example Amazon, Ocado etc).

At the start of the year they had started to reduce exposure to more established renewable energy companies but have made no real changes because of the market turmoil. They believe that there are already significant opportunities within the UK listed infrastructure market and that this will continue to grow as the government looks to spend its way out of the recession, which normally focuses on infrastructure.

The one area of concern is student accommodation and they have minimal exposure to this part of the market.

In summary, the fund has not been immune from market falls but has protected some of the downside and should be able to continue to deliver long term income opportunities.

The source of information in this note has been provided by Gravis and is correct as at May 2020. These are notes from meeting the fund manager or representative and should not be seen as a recommendation to purchase any fund mentioned. Any reference to shares is not a recommendation to buy or sell. Should you wish to make a decision based on these notes we cannot take responsibility for this and you should carry out your own research before making a decision. We would also recommend that you receive advice before following up on any decision.