

OVERVIEW

- Aims to deliver a regular income expected to be 4.5%¹ per annum after charges
- Preserve investors' capital throughout market cycles, with the potential for capital growth
- Invests in a diversified portfolio of global listed securities including Yield Co Equities, Investment Companies and Equities
- Offers exposure to companies engaged in the provision, storage, supply and consumption of clean energy

PERFORMANCE CHART

VT Gravis Clean Energy Share Class C GBP Acc 18/12/2017 – 31/01/2020



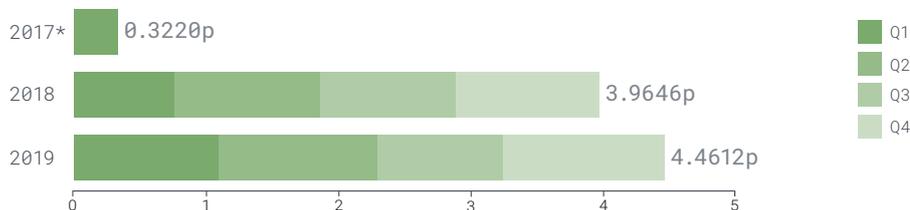
RETURNS

	JANUARY 2020	3 MONTHS	6 MONTHS	12 MONTHS	SINCE INCEPTION	VOLATILITY
VT Gravis Clean Energy	1.34%	7.06%	10.04%	30.52%	38.33%	7.08%
MSCI UK	-3.31%	1.01%	-2.43%	8.53%	4.71%	12.37%
MSCI World Infrastructure	2.52%	2.32%	2.33%	17.45%	18.43%	10.84%
S&P Global Clean Energy	4.12%	12.50%	5.72%	30.32%	43.34%	15.20%

Past performance is not necessarily a guide to future performance.
 Fund launched on 18 December 2017.
 Fund performance is illustrated by the C GBP Net Accumulation share class.

DIVIDENDS

Dividends paid net of charges since inception to 31 January 2020 for C GBP Income share class.



* Part period from launch on 18 December 2017.

Company overview	
Name	VT Gravis Clean Energy Income Fund
Regulatory status	FCA Authorised OEIC UCITS V
Sector	IA Global
Launch date	18 December 2017
Fund size	£61.02m
Launch price	£1
Share classes	Income and Accumulation (£, \$, €)
Min. investment	£100
Net Asset Value per share as at 31 January 2020	C Acc (£): 138.33p C Inc (£): 127.60p I Acc (£): 131.47p I Inc (£): 111.46p
Trailing 12 month net yield² as at 31 January 2020	3.50%
Annual turnover to 31 January 2020	4.40%
Charges²	0.8% (AMC & OMF)
Dividends	Quarterly
Classification	Non-complex
£ ISINs	C Acc: GB00BFN4H792 C Inc: GB00BFN4H461

1. This is an unofficial target and there is no guarantee it will be achieved.
Per annum by reference to launch price of £1.00 per unit, payable quarterly, one month in arrears.
2. The OCF (Ongoing Charges Figure) for all share classes is capped at the AMC (Annual Management Charge) and any costs in excess of the OCF/AMC will be paid by the Investment Adviser.
3. Published dividends are net of charges which are taken from income.



FUND ADVISER'S REPORT

Outside the UK, companies held by the Fund typically benefit from very long-term power purchase agreements

Positive momentum continued into the new year and the Fund recorded a 1.34% gain in January (C Accumulation GBP) as the portfolio's North American investments offset weakness in the UK's listed renewables sector.

The UK's listed renewables universe underwent a wave of selling pressure as investors digested updated forecasts for UK baseload power prices from Bloomberg New Energy Finance. The forecasts, which anticipate a 4% p.a. real decline in power prices out to 2040, are predicated on the notion that increased renewables capacity on the grid will cannibalise the power price owing largely to the fact that renewable energy generation is very low cost and will increasingly become the marginal supplier of power. The BNEF forecasts contrast significantly with the expectations of the established energy consultancies, whose forecasts are used by the listed renewables sector to inform future cash flow expectations and ultimately valuations. Over a similar timeframe, the established consultancies forecast modest positive real price growth.

A number of sell-side institutions published notes to highlight the BNEF forecasts and to quantify the negative impact such an outcome would have on the asset valuations of the listed renewables companies. Having performed strongly over the last year, and with prices not unreasonable but undeniably 'firm', the news appeared to provide the signal to take some money off the table that investors were looking for.

While the Adviser acknowledges recent downward pressures on UK power prices – a factor that will be prominent in company updates over coming weeks - we believe the long-term BNEF forecasts are overly aggressive and assume a level of renewables capacity growth that simply will not be developed if power prices do follow the kind of trajectory they predict. Other supply-side responses could include the introduction of more on-site battery storage to help smooth the deployment of power to the grid and therefore support and stabilise prices. On the demand side, the electrification of heating and transportation has the potential to significantly influence usage and therefore prices in future.

In addition, the government is likely to intervene in any situation that jeopardizes the decarbonisation of the economy and the commitment to net-zero greenhouse emissions by 2050.

Outside the UK, companies held by the Fund typically benefit from very long-term power purchase agreements, often fixing prices for 15 years or more, and so are not exposed to the same vagaries of power price forecasts decades out. The visibility afforded by such agreements is a key attraction and demand for predictable income streams remains buoyant. Reflective of this is the news that another company within the portfolio has received a takeover offer: Terraform Power, an owner of wind and solar assets located primarily in North America and Europe, received an all-share offer from Brookfield Renewable Partners, representing an 11% premium to the prevailing Terraform share price. The value of the offer has increased as the acquirer's share price has strengthened following the announcement. The Adviser believes that as part of the transaction, Brookfield Renewable Partners will issue stock that is eligible for inclusion in a UCITS structure. Previously the partnership has not offered shareholders voting rights and as such was not permissible within a UCITS structure. In addition, the lack of shareholder voting rights would not 'pass' the screening process in relation to the Fund's Responsible Investment Statement.

In January, the Adviser met with management teams from several Canadian energy companies within our investment universe – some of which are currently held within the portfolio. While the outlook for renewable energy capacity build-out was bullish, other common areas of discussion included an expected increase in the demand for corporate power purchase agreements as multi-national businesses seek to secure access to low or zero carbon energy supply, and an anticipation of increased investment in energy storage solutions.

Will Argent
Fund Adviser
Gravis Advisory Ltd
william.argent@graviscapital.com

Investment Adviser

Gravis Advisory Limited is owned and managed by Gravis Capital Management Ltd ("Gravis"). Gravis was established in May 2008 as a specialist investor in infrastructure and now manages c.£2.7bn of assets in the sector in the UK.

Funds under management include the FTSE 250 company GCP Infrastructure Investments Limited, which has invested over £1bn in UK infrastructure, and GCP Student Living Plc which has invested over £600m in UK student accommodation.

Gravis has won numerous awards for their alternative approach to long term, secure, income-generative investments.

Gravis Advisory Limited is Investment Adviser to the c.£573m VT Gravis UK Infrastructure Income Fund, which is the only OEIC focusing on investment exclusively in the UK's infrastructure sector.

Sales Contacts

William MacLeod 07836 695442
william.macleod@graviscapital.com

Ollie Matthews 07787 415151
ollie.matthews@graviscapital.com

Robin Shepherd 07971 836433
robin.shepherd@graviscapital.com

Nick Winder 07548 614184
nick.winder@graviscapital.com

Cameron Gardner 07835 142763
cameron.gardner@graviscapital.com

Dealing

Valu-Trac 01343 880344
cleanenergy@valu-trac.com

Available on the following platforms

Aegon	Hubwise
All Funds	James Hay
Alliance Trust Savings	Novia
Ascentric	Nucleus
Aviva	Old Mutual
Barclays	Pershing
Co Funds	Raymond James
Fidelity	Standard Life
FNZ	Transact
Hargreaves Lansdown	Zurich
	7IM

CORRELATION, PERFORMANCE AND VOLATILITY COMPARISON

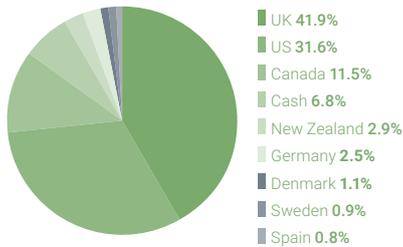
18 December 2017 – 31 January 2020

	CORRELATION	RETURN	VOLATILITY	YIELD
VT Clean Energy	—	38.3%	7.1%	3.5%
MSCI UK	0.31	4.7%	12.4%	4.6%
MSCI World Infrastructure	0.25	18.4%	10.8%	3.9%
S&P Global Clean Energy	0.28	43.3%	15.2%	2.0%

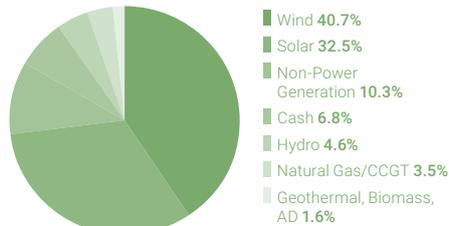
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PORTFOLIO

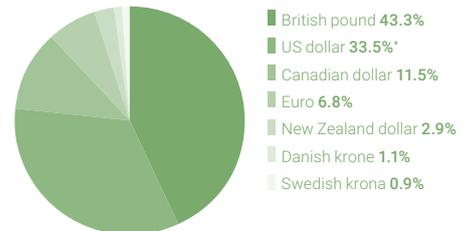
Geographic listing



Energy source



Currency



* US dollar exposure is currently hedged, resulting in a total effective GBP exposure of 76.8%.

SECURITY TYPE

Sectors



TOP 10 HOLDINGS ON 31 JANUARY 2020

HOLDING	%
Pattern Energy Group Inc	8.6
TransAlta Renewables Inc	6.4
NextEnergy Solar Fund Ltd	6.4
Atlantica Yield PLC	5.5
JLEN Environmental Assets Group Limited	5.2
TerraForm Power Inc	5.0
Foresight Solar Fund Ltd	4.9
Greencoat UK Wind PLC	4.7
Hannon Armstrong Sustainable Infrastructure Capital Inc	4.3
Renewables Infrastructure Group Ltd	4.2

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