

# GRAVIS

## CLEAN ENERGY

# MONTHLY FACTSHEET

## 30 SEPTEMBER 2019

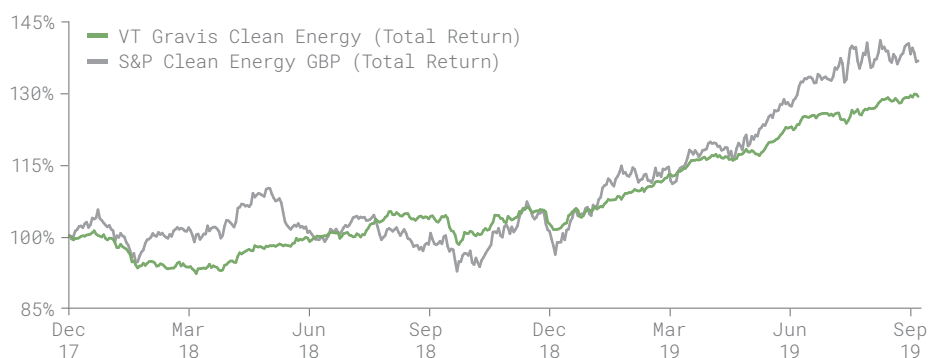
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### OVERVIEW

- Aims to deliver a regular income expected to be 4.5%<sup>1</sup> 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 – 30/09/2019



### RETURNS

	SEPTEMBER 2019	3 MONTHS	6 MONTHS	12 MONTHS	SINCE INCEPTION	VOLATILITY
VT Gravis Clean Energy	1.10%	5.42%	13.84%	25.01%	29.17%	7.32%
MSCI UK	2.95%	0.70%	4.04%	2.78%	5.89%	12.27%
MSCI World Infrastructure	1.74%	7.64%	13.49%	19.56%	20.26%	10.89%
S&P Global Clean Energy	-1.25%	6.11%	19.74%	38.26%	36.64%	15.28%

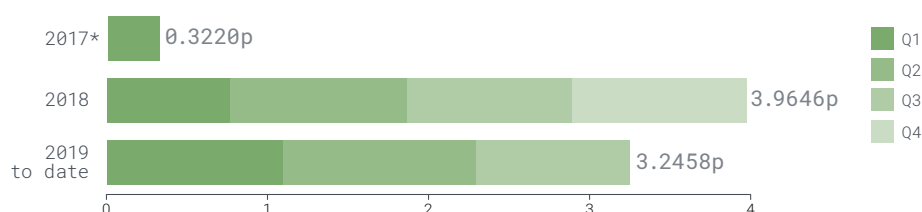
Past performance is not necessarily a guide to future performance.

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 30 September 2019 for C GBP Income share class.



\* Part period from launch on 18 December 2017.

### Company overview

<b>Name</b>	VT Gravis Clean Energy Income Fund
<b>Regulatory status</b>	FCA Authorised OEIC UCITS V
<b>Sector</b>	IA Global
<b>Launch date</b>	18 December 2017
<b>Fund size</b>	£29.82m
<b>Launch price</b>	£1
<b>Share classes</b>	Income and Accumulation (£, \$, €)
<b>Min. investment</b>	£100
<b>Net Asset Value per share as at 30 September 2019</b>	C Acc (£): 129.17p C Inc (£): 120.30p I Acc (£): 122.73p I Inc (£): 104.89p
<b>Trailing 12 month net yield<sup>2</sup> as at 30 September 2019</b>	3.60%
<b>Annual turnover to 30 September 2019</b>	5.58%
<b>Charges<sup>2</sup></b>	0.8% (AMC & OMF)
<b>Dividends</b>	Quarterly
<b>Classification</b>	Non-complex
<b>£ ISINs</b>	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**

**The UK government's push to develop offshore wind capacity has paid off spectacularly**

The portfolio continued to plot a steady course in September, recording a return of 1.10% for the month and rounding off a strong third quarter in which the strategy delivered a total return of 5.42% (C Accumulation GBP).

Performance was driven primarily by the portfolio's Yield Co investments in the U.S. and Canada where the sector continues to benefit from a tailwind of recent upgrades from sell-side analysts. The Adviser is keen to lock in profits where it is deemed that valuations have become elevated and this is likely to result in some rotation among the Fund's largest exposures. Pattern Energy, the largest position within the portfolio as at 30th September, is a good example. The holding was reduced significantly in early October following some very strong performance – some of which appears based on takeover rumours that have thus far proved speculative. The Adviser continues to rate the company's asset base and pipeline highly and will assess future opportunities to increase the position in the event the shares trend towards more attractive buying levels.

Corporate news flow was relatively quiet in September. However, Aquila European Renewables announced its fourth investment since the company's IPO in May, having entered into an exclusive agreement to acquire a Finnish wind farm with capacity of 34.55MW. Aquila has now deployed c.56% of the IPO proceeds and we are pleased with the rate of progress in this regard. More broadly, the immediate pipeline of equity issuance remains healthy and additional Placings have been announced by The Renewable Infrastructure Group, Foresight Solar and Gresham House Energy Storage. The Adviser anticipates further IPOs in the near term with a number of renewables-focused companies seeking to list vehicles in London in a closed-end structure.

At an industry level, the UK government's push to develop offshore wind capacity has paid off spectacularly as four new projects in the North Sea (totalling 5 GW of capacity to be commissioned in 2023 -2024) will be delivered with strike prices ranging from £39.65 to £41.61 per MWh. This represents another sharp reduction in the cost of offshore wind power and is 30% lower than the £57.50 strike price achieved in the 2017 tender for offshore wind developments. What is more, the cost is significantly lower than the £92.50/MWh strike price for nuclear power at Hinkley Point (now in excess of £100/MWh adjusted for inflation) and provides more compelling evidence for the continued expansion of renewable energy capacity as a proportion of the electricity mix both in the UK and globally.

**Third quarter dividend announced**

On 30th September the Fund announced dividends for the third quarter of 2019, payable in October. Holders of the C Income GBP units will receive 0.9544p. Year to date the Fund has declared total dividends amounting to 3.2458p (C Income GBP).

Although income accrual has improved year-on-year, continued strength in the Fund's capital performance has resulted in significant yield contraction, thereby making the Fund's 4.5% net yield objective for the year increasingly challenging. Nevertheless, the portfolio is positioned to deliver attractive levels of income during the final quarter of 2019 and the Adviser anticipates that total distributions will not be materially below expected.

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**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.£503m VT Gravis UK Infrastructure Income Fund, which is the only OEIC focusing on investment exclusively in the UK's infrastructure sector.

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**Available on the following platforms**

Aegon	James Hay
Alliance Trust Savings	Novia
All Funds	Nucleus
Aviva	Pershing
Co Funds	Transact
Funds Network	Zurich
Fusion	7IM
Hargreaves	Standard Life

**CORRELATION, PERFORMANCE AND VOLATILITY COMPARISON**

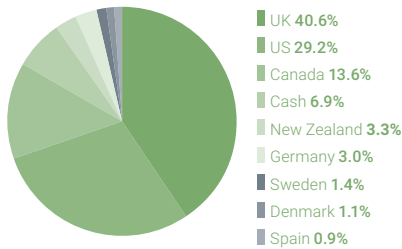
18 December 2017 – 30 September 2019

	CORRELATION	RETURN	VOLATILITY	YIELD
VT Clean Energy	—	29.2%	7.3%	3.6%
MSCI UK	0.34	5.9%	12.3%	4.7%
MSCI World Infrastructure	0.26	20.3%	10.9%	4.0%
S&P Global Clean Energy	0.28	36.6%	15.3%	2.3%

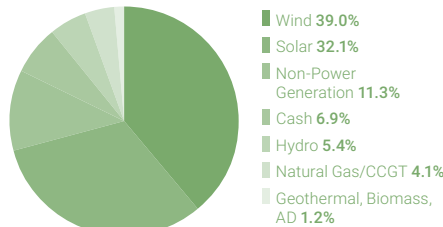
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**PORTFOLIO**

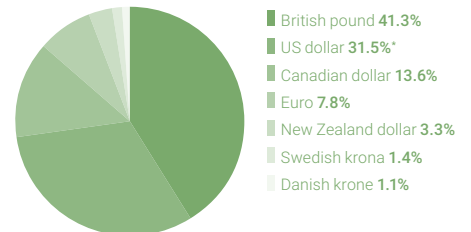
**Geographic listing**



**Energy source**



**Currency**



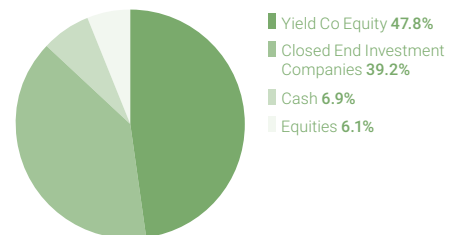
\* US dollar exposure is currently hedged, resulting in a total effective GBP exposure of 72.8%.

**TOP 10 HOLDINGS ON 30 SEPTEMBER 2019**

HOLDING	%
Pattern Energy Group Inc	7.5
TransAlta Renewables Inc	6.9
John Laing Environmental Assets Group Ltd	6.2
NextEnergy Solar Fund Ltd	6.2
Atlantica Yield PLC	5.7
Bluefield Solar Income Fund Ltd	4.5
TerraForm Power Inc	4.5
Hannon Armstrong Sustainable Infrastructure Capital Inc	4.4
Foresight Solar Fund Ltd	4.3
Renewables Infrastructure Group Ltd	3.7

**SECURITY TYPE**

**Sectors**



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