

### OVERVIEW

- Aims to deliver a regular income expected to be 4.5%<sup>1</sup> per annum
- 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 – 31/12/2020



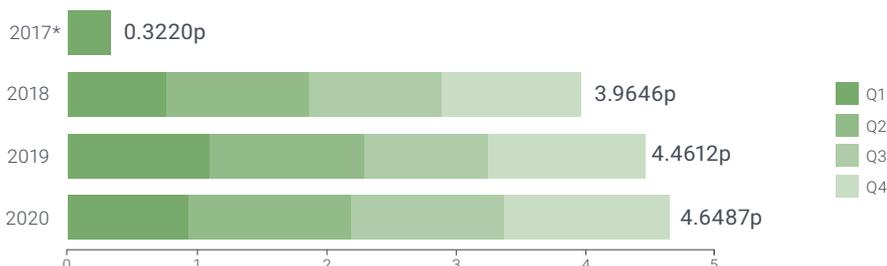
### RETURNS

	DECEMBER 2020	3 MONTHS	6 MONTHS	12 MONTHS	SINCE INCEPTION	VOLATILITY
VT Gravis Clean Energy	5.06%	14.23%	24.85%	27.11%	73.50%	11.99%
MSCI World Infrastructure	-0.87%	3.83%	2.06%	-2.96%	12.10%	17.24%
S&P Global Clean Energy	16.35%	43.94%	105.20%	134.73%	223.14%	25.47%

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 December 2020 for C GBP Income share class.



\* Part period from launch on 18 December 2017.

Fund information	
<b>Fund 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>	£217.98m
<b>Share classes</b>	Income and Accumulation Clean & Institutional (£, \$, €)
<b>Min. investment</b>	£100
<b>Net Asset Value per share as at 31 December 2020</b>	C Acc (£): 173.50p C Inc (£): 154.51p I Acc (£): 165.05p I Inc (£): 135.20p
<b>Trailing 12 month net yield<sup>2</sup> as at 31 December 2020</b>	3.01%
<b>Charges<sup>2</sup></b>	0.8% (AMC & OCF)
<b>Dividend pay dates</b>	end of Jan, Apr, July, Oct
<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 for all share classes is capped at the AMC (excluding underlying fund holding charges and dealing costs from EMX and Calastone) and any costs in excess of the OCF/AMC will be paid by the Investment Adviser.
3. Published dividends from 14.10.2020 are net of charges, which are taken from capital. Prior to 14.10.2020, charges were taken from income.

All data, source: Valu-Trac Investment Management, MSCI Inc and Reuters



<sup>†</sup>Independently risk-rated and assessed as Medium Risk

**FUND ADVISER'S REPORT**

**Climate change and sustainability ambitions at governmental and corporate level will require tremendous expenditure on the build out of renewable energy generation capacity**

The Fund's strong positive momentum persisted into the year end and the strategy recorded a 5.06% return in December to round off a full-year total return of 27.11% (C Accumulation GBP units). Gains were driven by the portfolio's exposures to US and Canadian-listed yield companies such as Atlantica Sustainable Infrastructure and TransAlta Renewables, which represent two of the largest weightings within the Fund, with double-digit returns commonplace. Representing smaller exposures within the portfolio, similarly strong share price moves were seen in ENCAVIS, a Frankfurt-listed owner/operator of solar parks and wind farms, and Meridian Energy, a state-backed electricity generator and distributor responsible for managing approximately 50% of New Zealand's hydroelectric storage, from which the company generates enough electricity to power 1.4 million homes per year.

Morgan Stanley recently wrote about the prospects for the clean energy sector, anticipating "very large, multi-decade renewables growth driven by economics, policy support, electrification of other sectors, and green hydrogen". We concur. Climate change and sustainability ambitions at governmental and corporate level will require tremendous expenditure on the build out of renewable/low carbon energy generation capacity but also on energy efficiency improvements and the associated infrastructure to facilitate the electrification of transport, for example, and the transition towards a more flexible and decentralised electricity grid network from the centralised model that is prevalent across the developed world.

IRENA (the International Renewable Energy Agency) forecasts that in order to meet the objectives set out in the Paris Agreement, over \$100 trillion of investment will be required between 2016 and 2050. To achieve the net-zero greenhouse gas emissions targets undertaken by an increasing cohort of nations, even more capital intensity will be required.

Although such levels of investment will provide significant opportunities for the companies in which the Fund invests to grow their asset bases and cash flow credentials, the Adviser is mindful that valuations in the US and Canada continue to rise, driven by speculation over the sector's prospects rather than fundamentals. The energy infrastructure companies owned by the Fund typically have pre-defined cash flow characteristics and should not be viewed in a similar way to companies that operate within the renewable energy supply chain, for example, which could see revenues multiply rapidly. As a result, the Adviser continues to deploy capital into better value prospects, of which many are listed in the UK. The recent IPOs of Downing Renewables & Infrastructure and Ecofin US Renewables Infrastructure represent two such examples. In addition, a flurry of investment activity in the UK-listed renewables sector towards the end of the year will likely see further equity issuance in the new year, which is likely to provide attractive opportunities for the portfolio.

**Fourth quarter dividend announced**

On 31st December the Fund announced dividends for the fourth quarter of 2020, payable in January. Holders of the C Class Income (GBP) units will receive 1.2823p and holders of the I Class Income (GBP) units will receive 1.0365p. The total annual distributions for C Income (GBP) unit holders and I Class Income (GBP) unit holders are 4.6487p (2019: 4.4612p) and 3.9621p (2019: n/a), respectively. Dividend distributions from the listed clean energy infrastructure sector have proved resilient throughout the year despite the challenges faced by the broader global economy. The Fund has maintained an attractive level of income for investors, with a c.4% increase in the absolute distribution rate.

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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.£3.3bn of assets in the sector in the UK. GCM is authorised and regulated by the FCA. Funds under management include the FTSE 250 companies GCP Infrastructure Investments Ltd and GCP Student Living Plc, and GCP Infrastructure Income Fund Ltd. 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.£700m VT Gravis UK Infrastructure Income Fund, the c.£218m VT Gravis Clean Energy Income Fund and the VT Gravis UK Listed Property (PAIF) Fund.

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**CORRELATION, PERFORMANCE AND VOLATILITY COMPARISON**

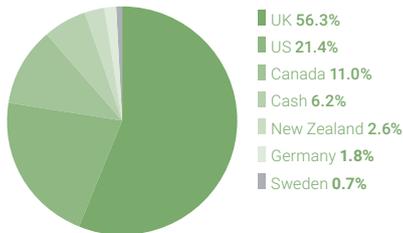
18 December 2017 – 31 December 2020

	CORRELATION	RETURN	VOLATILITY	YIELD
VT Clean Energy	—	73.5%	12.0%	3.0%
MSCI World Infrastructure	0.05	12.1%	17.2%	4.0%
S&P Global Clean Energy	0.14	223.1%	25.5%	1.1%

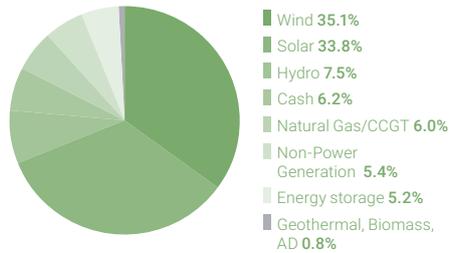
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**PORTFOLIO**

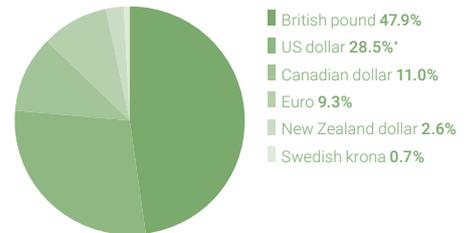
**Geographic listing**



**Energy source**



**Currency**



\* US dollar exposure is currently hedged, resulting in a total effective GBP exposure of 76.40%.

**SECURITY TYPE**

**Sectors**



**TOP 10 HOLDINGS ON 31 DECEMBER 2020**

HOLDING	WEIGHT
Renewables Infrastructure Group Ltd	8.1%
Atlantica Sustainable Infrastructure PLC	7.0%
TransAlta Renewables Inc	6.2%
Greencoat UK Wind PLC	6.1%
Greencoat Renewables PLC	4.7%
Gresham House Energy Storage Fund PLC	4.5%
NextEnergy Solar Fund Ltd	4.5%
Foresight Solar Fund Ltd	4.4%
Hannon Armstrong Sustainable Infrastructure Capital Inc	4.3%
Ecofin US Renewables Infrastructure Trust PLC	4.2%

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