

OVERVIEW

- Aims to deliver a regular income expected to be 4.5%¹ 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 Income Fund – C Acc GBP (Total Return after charges)
18/12/2017 – 29/04/2022



RETURNS

	APRIL 2022	3 MONTHS	12 MONTHS	36 MONTHS	SINCE INCEPTION	VOLATILITY
VT Gravis Clean Energy	-0.90%	10.71%	9.68%	58.12%	84.17%	11.29%
MSCI World Infrastructure	1.42%	7.46%	9.57%	22.22%	29.48%	15.48%
S&P Global Clean Energy	-7.97%	9.35%	-8.48%	104.33%	142.48%	27.62%

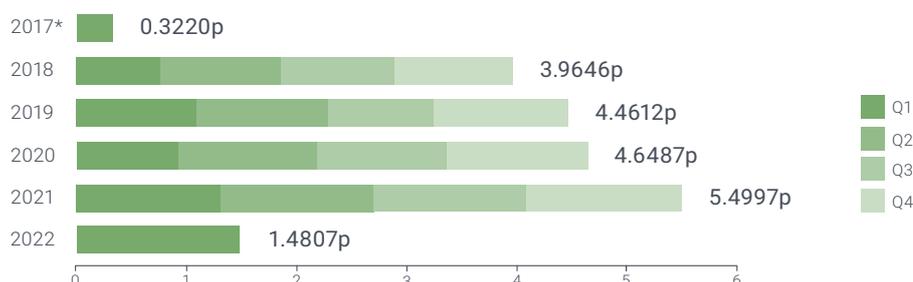
Past performance is not necessarily a guide to future performance.

Fund launched on 18 December 2017.

Fund performance is illustrated by the C GBP Net Accumulation share class.

DIVIDENDS

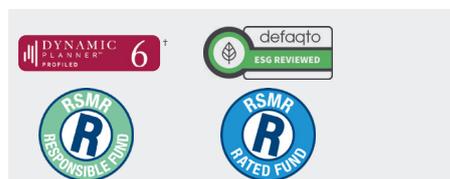
Dividends paid net of charges since inception to 29 April 2022 for C GBP Income share class.



* Part period from launch on 18 December 2017.

Fund information	
Fund name	VT Gravis Clean Energy Income Fund
Regulatory status	FCA Authorised UK OEIC UCITS V
Sector	IA Infrastructure
Launch date	18 December 2017
Fund size	£419.6m
Share classes	Income and Accumulation Clean & Institutional (£, \$, €)
Min. investment	£100
Net Asset Value per share as at 29 April 2022	C Acc (£): 184.17p C Inc (£): 156.64p I Acc (£): 175.46p I Inc (£): 137.30p
Trailing 12 month net yield² as at 29 April 2022	3.63%
Charges³	AMC: 0.80% OCF: 0.81%
Dividend pay dates	end of Jan, Apr, July, Oct
Classification	Non-complex
£ ISINs	C Acc: GB00BFN4H792 C Inc: GB00BFN4H461

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



¹Independently risk-rated and assessed as Medium Risk

FUND ADVISER'S REPORT

Although new highs were achieved in the early stages of April, the strategy recorded a loss of 0.90% for the month overall (C Accumulation GBP). This is a relatively modest retracement in the context of the positive returns achieved year-to-date and was driven by some sharp declines among the yield cos held within the portfolio, despite the majority of underlying positions generating a positive total return over the course of the month.

Returns from the portfolio's underlying holdings were polarised, with companies exposed to European and UK energy markets typically performing well while those exposed to North American markets derated - and in some instances significantly so. Brookfield Renewables, Clearway Energy Inc, Hannon Armstrong Sustainable Infrastructure, Innergex Renewable Energy and NextEra Energy Partners all lost more than 10% (GBP-adjusted). Local currency returns were more significant but weakness in sterling helped to cushion the impact in the Fund's base currency.

Rate concerns – and what that means for yield expectations – remain in focus and a key driver of US and Canadian yield co share prices. Typically benefitting from very long-term fixed pricing contracts, these companies do not necessarily benefit from firmer near-term pricing in energy markets. Conversely, in Europe – and the UK particularly – price fixes tend to be shorter-term in nature with companies often selling proportions of expected output on a one-to-three-year view. Firmer near-term price expectations underpin net asset valuations and the more persistent the higher electricity price environment, the greater the prospects for such companies to roll price fixes at more attractive levels. In addition, inflationary pressures are currently running well above modelled expectations, resulting in another tail wind for valuations. This is because subsidies, which remain a material element of the revenue profile for renewable power generators, benefit from indexation.

For example, the buyout price for Renewable Obligations Certificates, a key subsidy mechanism used in the UK renewables market, inflates each year in line with the average of the monthly year-on-year RPI rate over the prior year. These dynamics provide tail winds for valuations and near-term cash flows, epitomised by Greencoat UK Wind, which recorded a 13.2% total NAV return for Q1 2022. The company benefits disproportionately from current tailwinds vs. peers owing to management adopting a strategy of retaining merchant price exposure rather than hedging price risk. This characteristic was the primary reason for the Fund significantly increasing its allocation to Greencoat UK Wind last Autumn and it is currently the largest position in the portfolio.

Greencoat UK Wind was the greatest positive contributor to performance in April, followed by battery storage specialist Gresham House Energy Storage and Encavis, a German-listed owner/operator of wind and solar projects. Other UK-listed renewable power producers performed well with read-across from Greencoat UK Wind undoubtedly helpful. But with most Q1 NAV updates to be published in May there is scope for these companies to strengthen further into positive news flow.

Capital markets are volatile, and this is likely to remain the case as investors adjust to a rapidly evolving environment. The Federal Reserve is expected to move to counter inflationary pressures with rate hikes and quantitative tightening. But the US yield curve has inverted between the five-year and 30-year maturities, thereby prompting talks of recession. It is unlikely that the Federal Reserve will act so aggressively as to crush economic growth and this latter point gives us comfort that longer-term yields will remain relatively anchored. In that context the long-dated, contractual cash flow profiles of underlying portfolio companies should continue to prove attractive to investors. In the near term, volatility in North America creates opportunities for active management to add value.

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 property and infrastructure and now manages c.£3bn of assets in these sectors 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 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.£882.9m VT Gravis UK Infrastructure Income Fund, the c.£419.6m VT Gravis Clean Energy Income Fund, the c.£88.7m VT Gravis UK Listed Property (PAIF) Fund and the c.£44.1m VT Gravis Digital Infrastructure Income Fund.

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CORRELATION, PERFORMANCE AND VOLATILITY COMPARISON

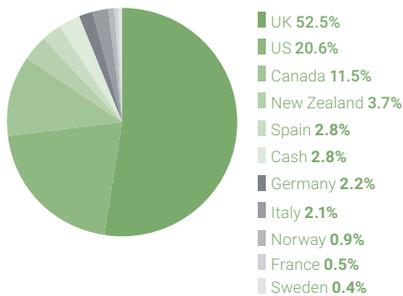
18 December 2017 – 29 April 2022

	CORRELATION	RETURN	VOLATILITY	YIELD
VT Clean Energy (C Acc GBP)	–	84.2%	11.3%	3.6%
MSCI World Infrastructure	0.07	29.5%	15.5%	3.8%
S&P Global Clean Energy	0.19	142.5%	27.6%	1.5%

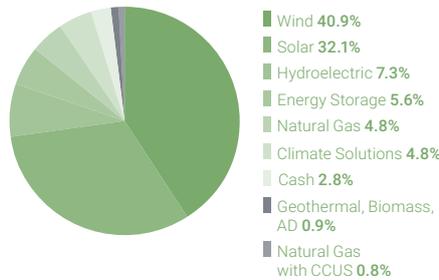
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PORTFOLIO

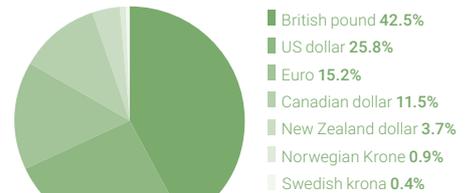
Geographic listing



Energy source

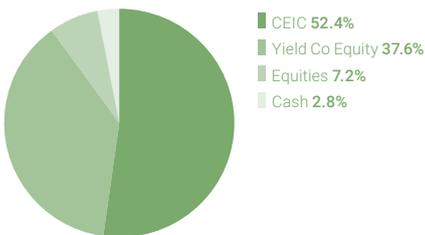


Currency



SECURITY TYPE

Sectors



TOP 10 HOLDINGS ON 29 APRIL 2022

HOLDING	WEIGHT
Greencoat UK Wind PLC	7.3%
Renewables Infrastructure Group Ltd	6.2%
Atlantica Sustainable Infrastructure PLC	6.0%
Clearway Energy Inc	5.6%
Greencoat Renewables PLC	5.1%
TransAlta Renewables Inc	5.0%
Brookfield Renewable Corp	3.9%
Innergex Renewable Energy Inc	3.9%
Gresham House Energy Storage Fund PLC	3.8%
Meridian Energy Ltd	3.7%

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