

OVERVIEW

The VT Gravis Digital Infrastructure Income Fund (the "Fund") is a UK UCITS V OEIC.

The Fund:

- invests in a diversified portfolio of transferrable securities listed in developed nations, which own the assets that are vital to the digital world such as communication towers, data centres, fibre optic networks and logistics facilities.
- has exposure to physical assets solely through investments in listed securities.
- will not invest in companies exposed to technologies such as software, semiconductors, satellites, payment systems, internet services, etc.

FUND OBJECTIVES

- To achieve capital growth through market cycles¹.
- The Fund invests in a diversified portfolio of transferrable securities including REITs, REOCs, collective investment schemes, equities and bonds, listed in developed nations.
- Aims to deliver regular income, expected to be c.3% per annum².
- Fund operating costs capped at 0.8% p.a.³.

SIMULATED PORTFOLIO PERFORMANCE⁴

Simulated Portfolio (Total Return after charges) 31.12.2014 – 31.12.2020



⁴ Simulated past performance is not indicative of future performance, the value of your investment may go down as well as up.

The actual VT Gravis Digital Infrastructure Income Fund launched 31 May 2021. Performance data for the fund is not yet available for distribution and data shown for the periods given are for a simulated model portfolio. The simulated portfolio represents the universe of all identifiable stocks, as determined by the Fund Adviser. The universe is market cap weighted and selected to ensure compliance within UCITS rules. It was selected and re-screened and re-balanced every six months to retain companies that passed minimum liquidity constraints. The constituents of the launch portfolio were selected from this universe.

SIMULATED PORTFOLIO RETURNS⁴

	TOTAL RETURN	VOLATILITY	CORRELATION	DISCRETE ANNUAL RETURNS					
				2015	2016	2017	2018	2019	2020
Simulated portfolio (Total Return) GBP	183.52%	15.43%	-	8.8%	38.9%	18.3%	6.6%	32.0%	12.8%
MSCI World Infrastructure	46.22%	16.34%	0.78	-0.8%	28.8%	0.3%	0.6%	16.9%	-3.0%
MSCI World Core Real Estate	41.53%	14.95%	0.82	6.6%	24.7%	1.8%	-0.4%	17.8%	-10.8%

Company overview	
Name	VT Gravis Digital Infrastructure Income Fund
Regulatory Status	FCA Authorised UK UCITS V OEIC
Sector	IA Property Other
Launch Date	31 st May 2021
Fund Size	£22.59m
Share Classes	Income and Accumulation (£,\$,€,¥)
Min. Investment	C: £100 I: £10,000,000
Net Asset Value per share as at 31 August 2021	C Acc (£): 115.2185p C Inc (£): 114.9132p I Acc (£): 115.2177p I Inc (£): 114.9825p
Capped fund operating charges³	0.8% (AMC & OCF)
Dividends	Quarterly
Objectives	3% dividend yield ² Capital preservation Inflation protection
Classification	Non-complex
Liquidity	Daily dealing
£ISINs	C Acc: GB00BN2B4F43 C Inc: GB00BN2B4876 I Acc: GB00BN2B4R64 I Inc: GB00BN2B4L03

¹ We expect this to be a period of 7 years

² With regards to the launch price. This is an unofficial target and there is no guarantee that it will be achieved.

³ 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 are paid by the Investment Adviser.

FUND ADVISER'S REPORT

“Bolstered by the growth of e-commerce, modern logistics warehouses look set to continue to prosper as businesses battle to provide online shoppers with a variety of goods and faster delivery times.”

Over the course of August 2021, the NAV of the Fund increased from 108.7664p to 115.2185p (C Acc GBP). During the same period, the global real estate index¹ rose by 2.56%, and the global infrastructure index² rose by 2.38%. The continued positive NAV increase reflects the strong positive investor sentiment towards the digitalisation mega trend to which the Fund is exposed.

The strategy of the Fund is to invest in a globally diversified portfolio of specialist real estate and infrastructure companies that are likely to benefit from the digitalisation mega trend, a trend that will see digital technologies change the way in which we work, play and live. The Fund primarily invests in four broad sub-sectors of digital infrastructure that support this revolution: data centres, fibre optic networks, logistics warehouses and mobile communication towers. Each are physical in nature, generate contractual income and own assets with long life expectancies.

The Fund benefits from an unconstrained approach to investing, with the Investment Adviser constructing a portfolio of the best-in-class digital infrastructure companies listed in developed markets. The Fund seeks exposure to the champions of the digital infrastructure world without the volatility and risks associated with the emerging markets. From a property-type perspective the Fund is diversified across key digital infrastructure assets. At the end of August, 46.4% of the portfolio was invested in logistics warehouses, encompassing both e-commerce fulfilment centres and urban ‘last mile’ logistics facilities, 24.9% in mobile communication towers, 22.1% in data centres, and 5.2% in fibre optics networks and battery storage.

Bolstered by the growth of e-commerce, modern logistics warehouses look set to continue to prosper as businesses battle to provide online shoppers with a greater variety of goods and faster delivery times. Around the world the coronavirus pandemic acted as an accelerant for online shopping. In the UK, e-commerce as a proportion of all retailing³ increased from 19.8% prior to the pandemic to 27.7% in August. Without the pandemic induced step-change that occurred last year this rate of e-commerce penetration was not expected to occur for at least another five years. A similar change can also be observed in the US where it is estimated that e-commerce now represents 18.6% of total retail sales compared to 15.9%⁴ prior to the pandemic.

The rapid growth in e-commerce has increased the demand for most types of warehouse and distribution space. From giant, purpose built, highly automated, warehouses, used by the

likes of Amazon, through to smaller last mile distribution centres located on the periphery of major conurbations and occupied by third party logistics companies. The Fund’s investments in logistics assets are diversified across 14 specialist listed property owners. These investments range in size from US listed Prologis (7.3% portfolio weight), with a \$99.6bn market cap and the largest listed logistics REIT in the world, down to the likes of Japanese listed CRE Listed REIT (2.6% portfolio weight), the owner of modern logistics properties in the Tokyo metropolitan area.

According to research from Prologis, in the US, the vacancy rate fell by 40bps from Q1 to Q2 to 4.1%⁵. With high quality warehouse space in scarce supply, it is of no surprise that rents are estimated to have increased across the board. Prologis forecasts that in 2021, in the US, “net effective market rent growth will set a record, exceeding 10%”.

Against a backdrop of strong occupier demand and constrained supply of new space logistics REITs have been increasing their dividends. For example, Prologis increased its Q2 dividend per share by 8.6% year-on-year; Segro (5.0% portfolio weight) increased its interim dividend by 7.2%, its seventh year in a row; and Singaporean-listed Mapletree Logistics Trust (2.3% portfolio weight) increased its quarterly distribution by 5.7% year-on-year.

Looking ahead, the ongoing fourth industrial revolution; a revolution characterised by new technology supported by new digital infrastructure, is likely to create compelling, long-term investment opportunities. The Investment Adviser believes that the portfolio is very well positioned to capture the continuing growth of specialist digital infrastructure companies and the appetite amongst investors for high quality assets, generating reliable income, managed by dedicated and focused experts.

Matthew Norris, CFA
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¹ MSCI World Core Real Estate Index

² MSCI World Infrastructure Index

³ RSI: Internet: All Retailing excl auto fuel: All Bus: SA: proportion of retail

⁴ Digital Commerce 360 analysis of US Department of Commerce data

⁵ Prologis Research, Industrial Business Indicator

Investment Adviser

Gravis Advisory Limited is owned and managed by Gravis Capital Management Ltd (“Gravis”).

Gravis Capital Management (GCM) was established in May 2008 as a specialist investor in property and infrastructure and now manages c.£3.9bn of assets in these sectors in the UK. GCM entered into a strategic partnership with ORIX Corporation in January 2021.

Gravis Advisory Limited is also the Investment Adviser to the c.£823m VT Gravis UK Infrastructure Income Fund, the c.£360m VT Gravis Clean Energy Income Fund and the c.£68m VT Gravis UK Listed Property Fund.

Fund Advisers

Matthew Norris is lead adviser to the VT Gravis Digital Infrastructure Income Fund and the VT Gravis UK Listed Property Fund.

Matthew has over two decades investment management experience and has a specialist focus on real estate securities.

He was previously at Grosvenor with responsibility for investing in global real estate securities including the highly successful global logistics strategy. He joined Grosvenor from Fulcrum Asset Management and Buttonwood Capital Partners where he ran international equity strategies which incorporated exposure to real estate equities.

George Nikolaou is responsible for investment analysis and research, covering listed infrastructure and real estate. He joined Gravis in 2021 having spent 7 years working as a portfolio manager and analyst within the investment management sector. George has obtained a MSc Finance and Investment from the University of Durham and a BSc Economics from the University of Athens and is a CFA Charterholder.

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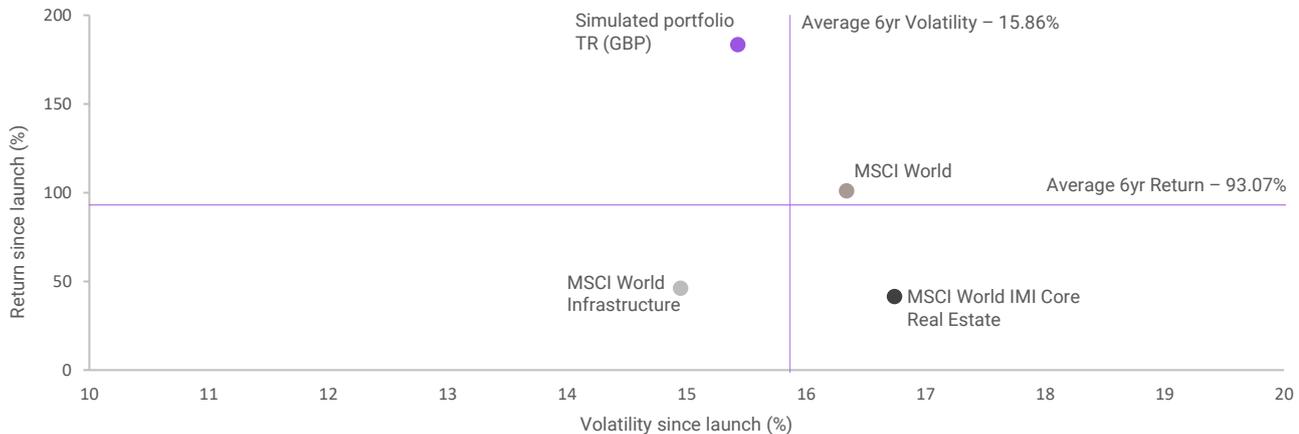
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SIMULATED 6 YEAR PERFORMANCE⁴

6yr returns and volatility from 31.12.2014 to 31.12.2020 - Simulated portfolio vs MSCI World Infrastructure vs MSCI World IMI Core Real Estate vs MSCI World



	6yr Total Return	6yr Volatility
Simulated Portfolio	183.52%	12.48%
MSCI World Infrastructure	46.22%	11.78%
MSCI World IMI Core Real Estate	41.53%	12.66%
MSCI World	101.00%	12.95%

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TOP 10 HOLDINGS

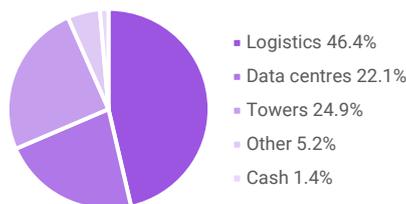
As at 31 August 2021

Company	Holding
American Tower Corp	7.72%
Prologis Inc	7.30%
Digital Realty Trust Inc	5.42%
SEGRO PLC	5.04%
SBA Communications Corp	4.96%
Goodman Group	4.85%
Equinix Inc	4.82%
Crown Castle International Corp	4.69%
Catena AB	3.26%
Gresham House Energy Storage Fund PLC	2.96%

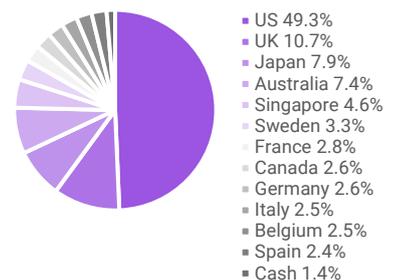
PORTFOLIO CHARACTERISTICS

As at 31 August 2021

Sector breakdown



Geographic breakdown (by country of listing)



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