

OVERVIEW

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

The Fund:

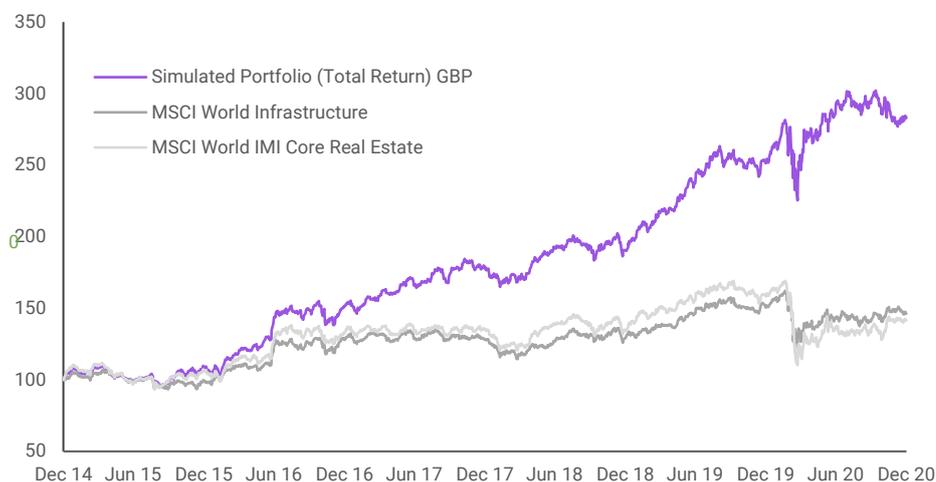
- invests in a diversified portfolio of transferrable securities listed in developed nations, which own the assets that are vital to the digital world such as communication towers, data centres, fibre optic networks and logistics facilities.
- has exposure to physical assets solely through investments 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	£38.90m
Share Classes	Income and Accumulation (£,\$,€,¥)
Min. Investment	C: £100 I: £10,000,000
Net Asset Value per share as at 31 December 2021	C Acc (£): 124.7380p C Inc (£): 123.3526p I Acc (£): 124.8426p I Inc (£): 123.4688p
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

"The pandemic has acted as a catalyst to accelerate the digitalisation trends already in motion, this set to continue."

Over the course of December 2021, the NAV of the Fund increased from 119.0674p to 124.7380p (C Acc GBP) - an all-time high. The increase reflects the continuing strong positive investor sentiment towards the digitalisation mega trend to which the Fund is exposed. Since the launch of the Fund in May 2021, the world infrastructure index¹ has increased by 5.04%, and the global real estate index² by 16.36%.

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 of economies, a trend that will see digital technologies change the way in which we work, live and play. These next generation infrastructure companies operate within four specialist sub-sectors: data centres, fibre optic networks, logistics warehouses and mobile communication towers. The underlying assets are physical in nature, generate contractual income and have long life expectancies. Adherence to this strategy has been key to delivering both reliable income and growing capital during the periods of Covid related market turbulence experienced in 2021.

At the end of December, the Fund declared a quarterly distribution of 0.4687p (C Inc GBP), this is the third quarter-end distribution since launch. The annualised distributions since inception represent a potential yield of 2.19%.

Close to three quarters of the Fund is invested in real estate investment trusts (REITs), to maintain their general tax-exempt status REITs are required to distribute the vast majority of their rental profits (e.g. 90% in the UK and USA). Over the past decade, reinvesting this income has created a significant compounding benefit for investors. While the appreciation in global real estate share prices³ has delivered a 7.57% annualised return, the power of compounding income increases investor returns to 10.70%².

Since the launch of the Fund all four digital infrastructure sub-sectors have contributed to the meaningful increase in the NAV.

The logistics sub-sector (45.66% portfolio weight) was the largest portfolio weight at launch and has delivered significant returns. Increasing tenant demand driven by the Covid induced acceleration in e-commerce has fuelled rental growth. Since the beginning of June global equity markets have rewarded this positive trend with: EastGroup (2.86% portfolio weight), the US focused owner and developer of logistics infrastructure, delivering 43.47% total return; Goodman (4.80% portfolio weight), the Australian listed global logistics owner-developer, generating 37.69% total return; and, Segro (4.65% portfolio weight), the leading European listed owner-manager of logistics assets, producing 37.56% total return.

Data centres (20.43% portfolio weight) have been the second largest contributor to the NAV increase. The performance has been boosted by private equity firms acquiring best-in-class listed digital infrastructure companies. In June QTS was acquired by Blackstone at a 20.9% premium to the undisturbed share price. This was followed in November by a combination of KKR and Global Infrastructure Partners acquiring CyrusOne (2.44% portfolio weight) at a 24.7% premium to the undisturbed share price. During December the Fund initiated a position in SUNeVision, the leading data centre provider in Hong Kong. The company offers exposure to an attractive development pipeline in a duopolistic market structure with very significant barriers to entry – the company has a track record of consecutively growing its dividend for over a decade.

As we enter 2022 the market continues to oscillate. In the short-term this is between the risks associated with elevated levels of inflation and the optimism linked to successful mass vaccinations and continued economic growth.

The prospect of global central banks removing monetary stimulus and increasing interest rates is moving ever closer and this is likely to put pressure on asset prices. However, the secular trends that have made digitalisation an increasingly important part of the economy are still in place.

The pandemic has accelerated the move to a digitalised world and through regular repetition many new digital habits have been formed. It is the view of the Investment Adviser that even when Covid is eventually tamed it is highly unlikely that these new ways of living, working, and playing will be fully reversed. To the contrary, the pandemic has acted as a catalyst to accelerate the digitalisation trends already in motion. This digitalisation mega trend looks set to continue.

As such, 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 next generation infrastructure assets, generating reliable income, managed by dedicated and focused experts.

Matthew Norris, CFA
Investment Adviser
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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.£3bn 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.£842m VT Gravis UK Infrastructure Income Fund, the c.£396m VT Gravis Clean Energy Income Fund and the c.£80m 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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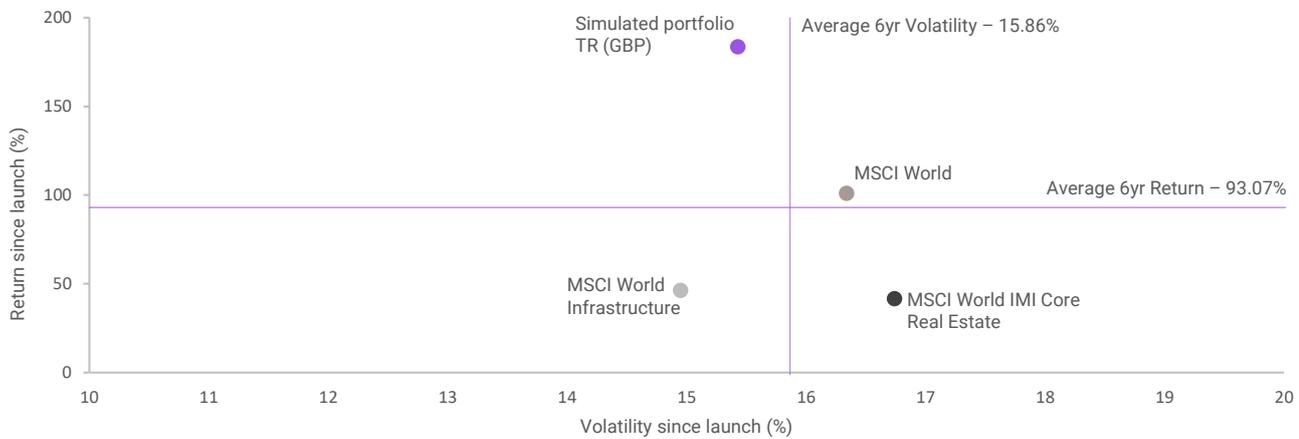
¹ MSCI World Infrastructure Total Return GBP Index

² MSCI World IMI Core Real Estate Total Return GBP Index

³ MSCI World IMI Core Real Estate GBP Index

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

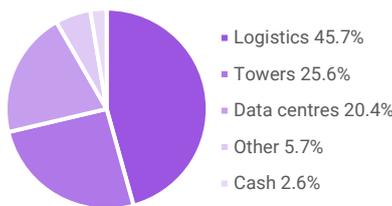
As at 31 December 2021

Company	Holding
American Tower Corp	7.45%
Prologis Inc	7.24%
SBA Communications Corp	5.18%
Crown Castle International Corp	4.97%
Goodman Group	4.80%
SEGRO PLC	4.65%
Digital Realty Trust Inc	4.60%
Equinix Inc	3.92%
Argan SA	2.95%
Switch Inc	2.90%

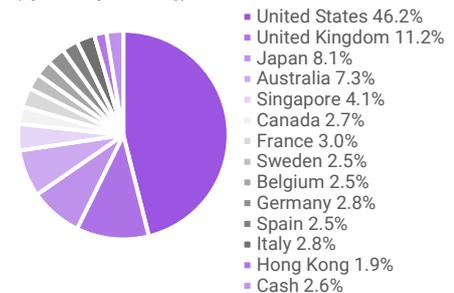
PORTFOLIO CHARACTERISTICS

As at 31 December 2021

Sector breakdown



Geographic breakdown (by country of listing)



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