

OVERVIEW

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

The Fund:

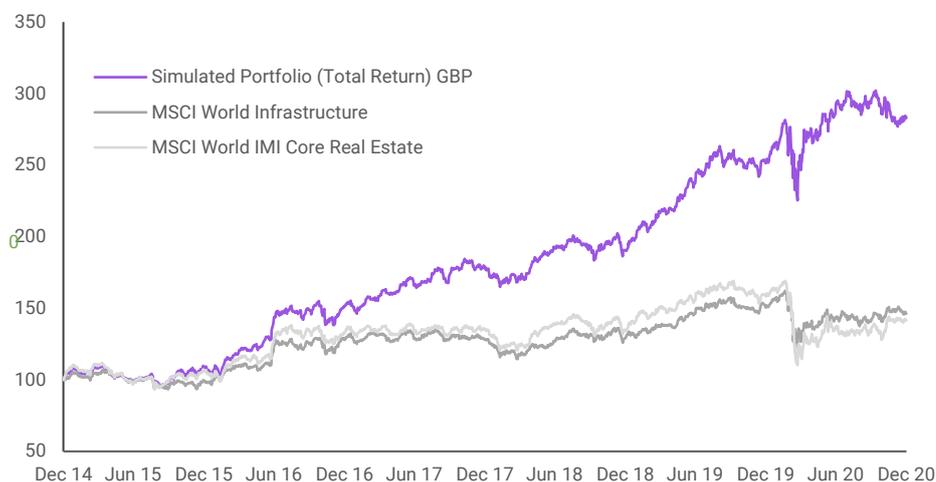
- invests in a diversified portfolio of transferrable securities listed in developed nations, which own the assets that are vital to the digital world such as communication towers, data centres, fibre optic networks and logistics facilities.
- has exposure to physical assets solely through investments 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.

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	£35.7m
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 (£): 110.6619p C Inc (£): 109.4328p I Acc (£): 110.7641p I Inc (£): 109.5452p
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.

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%

FUND ADVISER'S REPORT

"The strength in occupier demand for digital infrastructure assets is likely to lead to further rent and dividend growth in the year ahead."

Over the course of January 2022, the NAV of the Fund decreased from 124.7380p to 110.6619p (C Acc GBP). Since the launch of the Fund in May 2021, the world infrastructure index¹ has increased by 5.24%, and the global real estate index² by 10.75%.

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 (20.45% portfolio weight), logistics warehouses (48.70% portfolio weight), mobile communication towers (23.95% portfolio weight), and networks (5.74% portfolio weight). The underlying assets are physical in nature, generate contractual income and have long life expectancies.

In January the performance of the investible universe was dominated by two forces – concerns over increasing interest rates, stoked by rising inflation³ hitting 7.0% in the US and 5.4% in the UK, and a rotation into 'value' investments.

Over three quarters of the digital infrastructure assets held within the Fund are structured as tax efficient real estate investment trusts (REITs). The relationship between REIT returns, inflation and interest rates is complex. Simplistically, inflation boosts rental income but rising interest rates increase the discount rate. Under these simplistic assumptions generalist investors tend to view REITs as interest rate sensitive, with their knee-jerk reaction being to sell REITs. January was such a month for REITs.

However, the strong digitalisation mega trend that the Fund focuses on contradicts this simplistic view. These specialist infrastructure assets are likely to continue to command decent rental growth whilst simultaneously benefiting from firm cap rates, as direct infrastructure investors maintain their appetite for high quality assets.

On a look through basis, circa 70% of the underlying portfolio rental income benefits from inflation-linked rents or fixed-rate rental escalators – these assets produce growth income not fixed income. Assets with real pricing power, such as e-commerce fulfilment centres, urban logistics hubs and mobile communication towers are likely to prove a good hedge against inflation.

For example, Cellnex (2.3% portfolio weight), the pan-European mobile communications tower developer and operator, calculates that approximately 65% of its revenue is linked to local

inflation indices with average lease lengths of more than 10 years. And in the US, specialist logistics REITs, such as EastGroup Properties (3.0% portfolio weight), have nearly all of their rental income linked to fixed upward-only revisions with average lease lengths spanning between 5 and 7 years.

In an environment with elevated inflation and rising interest rates, stock selection remains key. Identifying companies that own superior digital infrastructure assets is a research-intensive process. The benefit of this focus on company research and stock selection is that it tends to yield very good results.

During the month, the Fund initiated a position in LXP Industrial Trust (2.1% portfolio weight), the developer and operator of premium logistics real estate in key US markets with high growth potential.

Shortly after the position was built, LXP received an unsolicited takeover approach at a 22% premium to the unaffected price. This is the third Fund investment to be the subject of a takeover bid within eight months and provides further evidence that the private market value for key 'next generation' infrastructure assets is often higher than the public market values.

Whilst the Investment Adviser would prefer to hold these companies for the long-term, market dislocations create opportunities for cash-rich groups, particularly private equity firms, to acquire high quality, low levered listed companies at attractive valuations

Digital infrastructure performance is likely to continue to oscillate over the course of 2022, fluctuating between the risks associated with elevated levels of inflation and the optimism linked to 'next generation' infrastructure capturing strong rental growth. As global central banks increase interest rates this is likely to put pressure on some asset prices. However, the secular trends that have made digitalisation an increasingly important part of the economy are still in place.

For 2022 the Investment Adviser expects particularly strong occupational demand for communication towers, colocation datacentres, e-commerce fulfilment centres, and urban logistics facilities. This strength in occupier demand is likely to lead to further rent and dividend growth in the year ahead.

Matthew Norris, CFA
Investment Adviser
Gravis Advisory Ltd
matthew.norris@graviscapital.com

¹ MSCI World Infrastructure Total Return GBP Index

² MSCI World IMI Core Real Estate Total Return GBP Index

³ Consumer Prices Index (CPI) for December 2021

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.£818m VT Gravis UK Infrastructure Income Fund, the c.£361m VT Gravis Clean Energy Income Fund and the c.£82m 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.

Sales Contacts

Cameron Gardner 07835 142763
cameron.gardner@graviscapital.com

Ollie Matthews 07787 415151
ollie.matthews@graviscapital.com

Robin Shepherd 07971 836433
robin.shepherd@graviscapital.com

Nick Winder 07548 614184
nick.winder@graviscapital.com

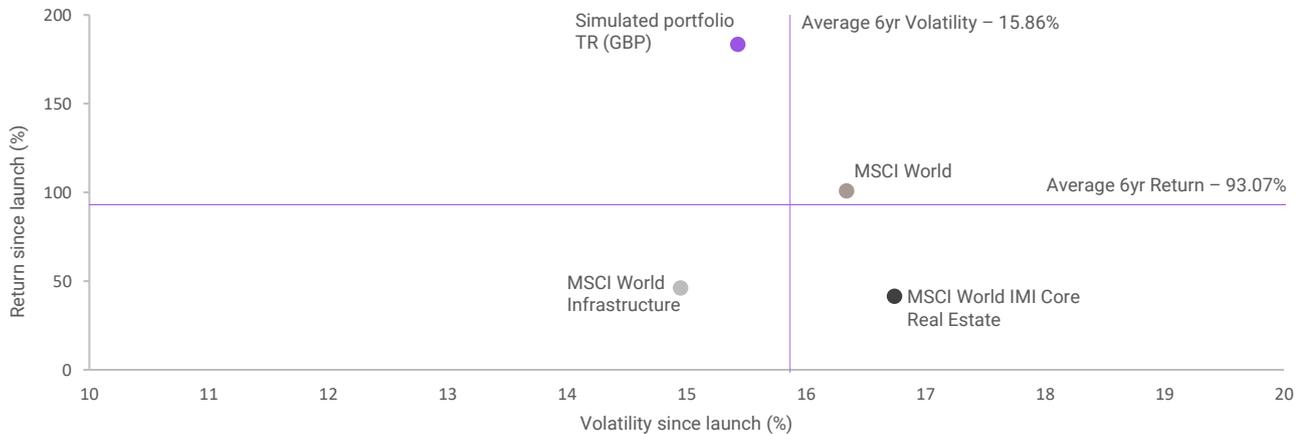
William MacLeod 07836 695442
william.macleod@graviscapital.com

Dealing

Valu-Trac 01343 880344
Digitalinfrastructure@valu-trac.com

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%

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.

TOP 10 HOLDINGS

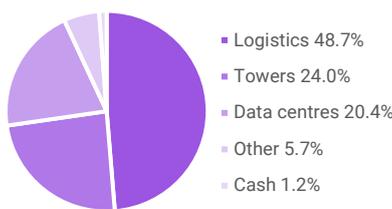
As at 31 January 2022

Company	Holding
Prologis Inc	7.57%
American Tower Corp	6.92%
SEGRO PLC	4.90%
Crown Castle International Corp	4.73%
Goodman Group	4.71%
SBA Communications Corp	4.64%
Digital Realty Trust Inc	4.26%
Equinix Inc	3.84%
Eastgroup Properties Inc	2.99%
Argan SA	2.95%

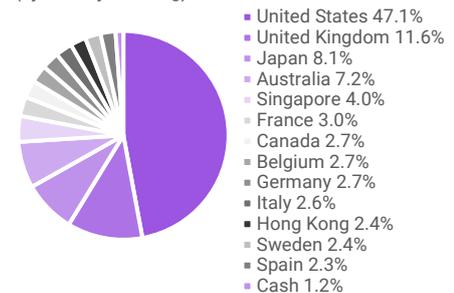
PORTFOLIO CHARACTERISTICS

As at 31 January 2022

Sector breakdown



Geographic breakdown (by country of listing)



DISCLAIMER

WARNING: The information in this report is presented by Valu-Trac Investment Management Limited using all reasonable skill, care and diligence and has been obtained from or is based on third party sources believed to be reliable but is not guaranteed as to its accuracy, completeness or timeliness, nor is it a complete statement or summary of any securities, markets or developments referred to. The information within this report should not be regarded by recipients as a substitute for the exercise of their own judgement.

The information in this report has no regard to the specific investment objectives, financial situation or particular needs of any specific recipient and is published solely for informational purposes and is not to be construed as a solicitation or an offer to buy or sell any securities or related financial instruments. In the absence of detailed information about you, your circumstances or your investment portfolio, the information does not in any way constitute investment advice. If you have any doubt about any of the information presented, please consult your stockbroker, accountant, bank manager or other independent financial adviser. Value of investments can fall as well as rise and you may not

get back the amount you have invested. Income from an investment may fluctuate in money terms. If the investment involves exposure to a currency other than that in which acquisitions of the investments are invited, changes in the rates of exchange may cause the value of the investment to go up or down. Past performance is not necessarily a guide to future performance. Any opinions expressed in this report are subject to change without notice and Valu-Trac Investment Management Limited is not under any obligation to update or keep current the information contained herein. Sources for all tables and graphs herein are Valu-Trac Investment Management unless otherwise indicated.

The information provided is "as is" without any express or implied warranty of any kind including warranties of merchantability, non-infringement of intellectual property, or fitness for any purpose. Because some jurisdictions prohibit the exclusion or limitation of liability for consequential or incidental damages, the above limitation may not apply to you. Users are therefore warned not to rely exclusively on the

comments or conclusions within the report but to carry out their own due diligence before making their own decisions. Unless otherwise stated Equity Market price indices used within this publication are sourced or derived from data supplied by MSCI Inc 2022.

Valu-Trac Investment Management Limited and its affiliated companies, employees of Valu-Trac Investment Management Limited and its affiliated companies, or individuals connected to them, may have or have had interests of long or short positions in, and may at any time make purchases and/or sales as principal or agent in, the relevant securities or related financial instruments discussed in this report. © 2022 Valu-Trac Investment Management Limited. Authorised and regulated by the Financial Conduct Authority (UK), registration number 145168. This status can be checked with the FCA on 0800 111 6768 or on the FCA website (UK). All rights reserved. No part of this report may be reproduced or distributed in any manner without the written permission of Valu-Trac Investment Management Limited. Valu-Trac™ is a registered trademark.