

### OVERVIEW

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

The Fund:

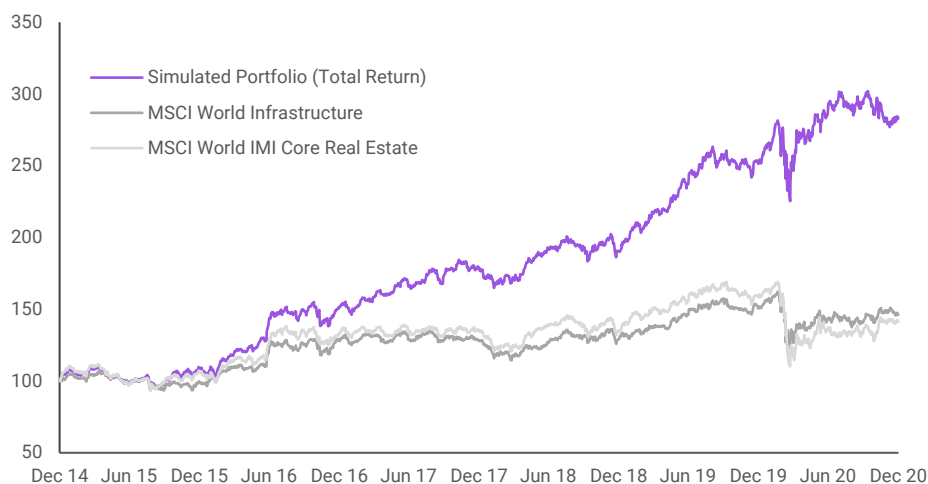
- invests in a diversified portfolio of transferrable securities listed in developed nations, which own the assets that are vital to the digital world such as communication towers, data centres, fibre optic networks and logistics facilities.
- has exposure to physical assets solely through investments 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 cycles<sup>1</sup>.
- 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 annum<sup>2</sup>.
- Fund operating costs capped at 0.8% p.a.<sup>3</sup>.

### SIMULATED PORTFOLIO PERFORMANCE<sup>4</sup>

Simulated Portfolio (Total Return after charges) 31.12.2014 – 31.12.2020



<sup>4</sup> 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	
<b>Name</b>	VT Gravis Digital Infrastructure Income Fund
<b>Regulatory Status</b>	FCA Authorised UK UCITS V OEIC
<b>Sector</b>	IA Property Other
<b>Launch Date</b>	31 <sup>st</sup> May 2021
<b>Fund Size</b>	£20.46m
<b>Share Classes</b>	Income and Accumulation (£,\$,€,¥)
<b>Min. Investment</b>	C: £100   I: £10,000,000
<b>Net Asset Value per share as at 31 July 2021</b>	C Acc (£): 108.7664p C Inc (£): 108.4782p I Acc (£): 108.7563p I Inc (£): 108.5342p
<b>Capped fund operating charges<sup>3</sup></b>	0.8% (AMC & OCF)
<b>Dividends</b>	Quarterly
<b>Objectives</b>	3% dividend yield <sup>2</sup> Capital preservation Inflation protection
<b>Classification</b>	Non-complex
<b>Liquidity</b>	Daily dealing
<b>£ISINs</b>	C Acc: GB00BN2B4F43 C Inc: GB00BN2B4876 I Acc: GB00BN2B4R64 I Inc: GB00BN2B4L03

<sup>1</sup> We expect this to be a period of 7 years

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

<sup>3</sup> 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 RETURNS<sup>4</sup>

	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 Investment Adviser actively monitors climate change risk within the Fund and seeks to mitigate this risk through investing in digital infrastructure companies that increasingly own energy efficient assets."**

Over the course of July 2021, the NAV of the Fund increased from 105.5826p to 108.7664p (C Acc GBP), whilst global real estate equities<sup>1</sup> rose by 3.11%. The continued positive NAV increase since launch 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 and support 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 companies within four broad sub-sectors of digital infrastructure: data centres, fibre optic networks, logistics warehouses and mobile communication towers. Each is physical in nature, generating contractual income from 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 geographic perspective, based on the location of the underlying assets, the Fund is globally diversified with 39.8% exposure to assets in North America, 34.5% exposure to Europe, 19.5% exposure to Asia, and 2.6% to Latin America.

Climate change is arguably the biggest long-term challenge facing humanity, and one that is becoming increasingly important in determining the investment prospects for digital infrastructure assets. With data centres estimated<sup>2</sup> to consume more than 2% of the world's electricity and emit roughly as much CO<sub>2</sub> as the airline industry, the companies owning these assets are increasingly demonstrating their commitment and expertise towards improving energy efficiency.

Listed owners of data centres have made sustainability and increasing energy efficiency top priorities. Equinix (4.5% Fund weight), the world's largest data centre REIT, has achieved 91% energy procurement from

renewable energy in 2020 and is committed to reaching 100% renewable energy and achieving global climate neutrality by 2030. Switch (2.4% Fund weight), a US data centre operator, has been running all its facilities on 100% renewable energy since 2016.

Another obvious step to reduce emissions is to increase the efficiency of the data centre operating system. The most common measurement of how efficiently a data centre uses electricity is the power usage effectiveness (PUE), this is the ratio of overall electricity consumption at the data centre facility to the electricity delivered to the IT hardware. The hypothetical optimum PUE is 1.0, meaning that 100% of the energy is efficiently used.

According to the latest survey from the Uptime Institute<sup>3</sup>, the average PUE of a data centre is 1.59. Holdings within the Fund have been constantly improving their PUE ratings and have scored on average better than the data centre industry with a range of 1.23 for Switch to 1.60 for CyrusOne (2.5% Fund weight). Notably, Digital Realty (4.7% Fund weight) has recently delivered new-build facilities with design PUEs as low as 1.12.

Looking ahead, 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**  
Investment Adviser  
Gravis Advisory Ltd  
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<sup>1</sup> MSCI World Core Real Estate Index

<sup>2</sup> Yale Environment 360, April 2018

<sup>3</sup> July 2020

### 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.£810m VT Gravis UK Infrastructure Income Fund, the c.£351m VT Gravis Clean Energy Income Fund and the c.£63m 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 Nikolau** 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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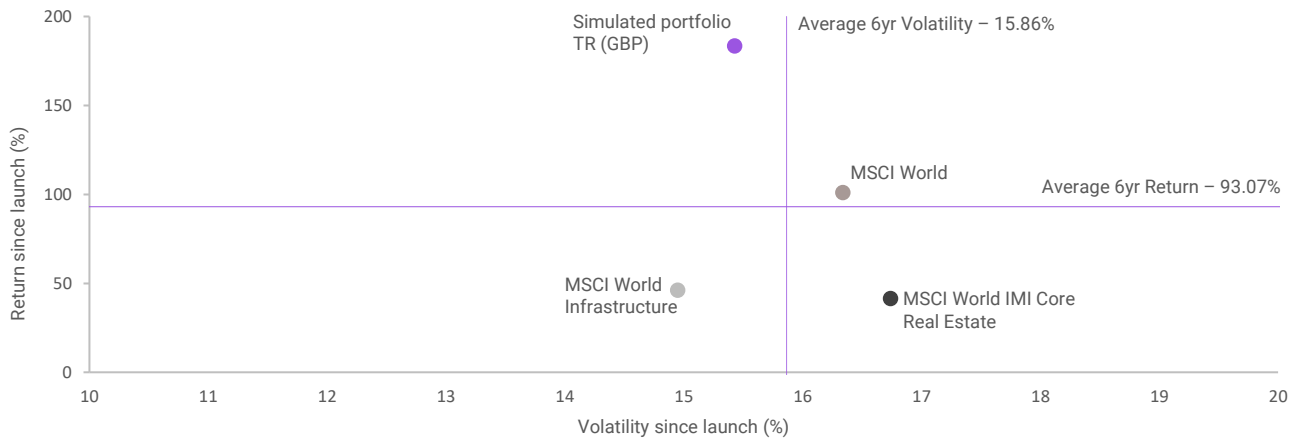
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**SIMULATED 6 YEAR PERFORMANCE<sup>4</sup>**

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**

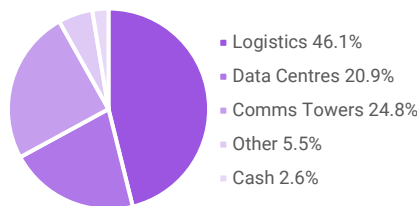
As at 31 July 2021

Company	Holding
American Tower Corp	7.62%
Prologis Inc	7.32%
SEGRO PLC	5.23%
Goodman Group	4.93%
Crown Castle International Corp	4.84%
SBA Communications Corp	4.80%
Digital Realty Trust Inc	4.71%
Equinix Inc	4.46%
Gresham House Energy Storage Fund PLC	3.23%
Catena AB	3.03%

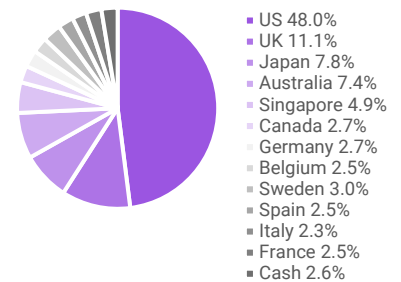
**PORTFOLIO CHARACTERISTICS**

As at 31 July 2021

**Sector breakdown**



**Geographic breakdown (by country of listing)**



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