

OVERVIEW

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

The Fund:

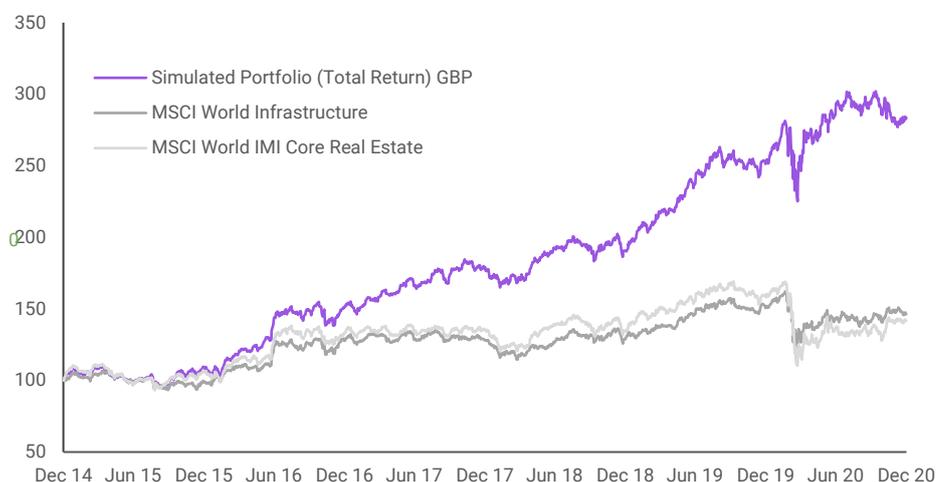
- invests in a diversified portfolio of transferrable securities listed in developed nations, which own the assets that are vital to the digital world such as communication towers, data centres, fibre optic networks and logistics facilities.
- has exposure to physical assets solely through investments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

Fund Information	
Fund 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	£41.7m
Share Classes	Income and Accumulation (£,\$,€,¥)
Min. Investment	C: £100 I: £10,000,000
Net Asset Value per share as at 31 March 2022	C Acc (£): 118.57p C Inc (£): 116.79p I Acc (£): 118.70p I Inc (£): 116.93p
Capped fund operating charges³	0.8% (AMC & OCF)
Dividends	End of Jan, Apr, Jul, Oct
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 third take-private within the Fund since launch can be viewed as further validation of the Fund’s strategy to invest in the best-in-class owners of digital infrastructure assets.

Over the course of March 2022, the NAV of the Fund increased from 108.3673p to 118.5730p (C Acc GBP). Since the launch of the Fund in May 2021, the world infrastructure index¹ has increased by 11.49%, and the global real estate index² by 14.89%. At the end of March, the Fund declared a quarterly distribution of 0.4694p (C Inc GBP), this is the fourth consecutive quarter-end distribution since launch.

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 (17.8% portfolio weight), logistics warehouses (49.1% portfolio weight), mobile communication towers (23.3% portfolio weight), and networks (7.3% portfolio weight). The underlying assets are physical in nature, generate contractual income and have long life expectancies.

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 6.60% annualised return, the power of compounding income boosts investor returns to 10.04%².

During the first quarter, several investments had dividend events. Within the mobile communication tower sub-sector, American Tower (6.82% portfolio weight), the world’s largest owner and operator of wireless infrastructure cell sites and listed in the US, declared an interim dividend of \$1.40 per share, an annual increase of 12.9%.

Underpinning this dividend growth are the contractual annual rent increases incorporated in their leases. In the US these increases are typically fixed at an average of 3% per annum, whereas international rents are typically linked to local inflation indices. Reflecting strong rental growth, gains in occupancy and profitable development activity, management is targeting circa 12.5% dividend growth in 2022.

Within the logistics sub-sector EastGroup Properties (2.97% portfolio weight), the US-listed owner and developer of distribution space in the American sunbelt region, declared an interim dividend of \$1.10 per share, equivalent to a massive 39.2% annual increase.

EastGroup has increased or maintained its dividend for an impressive 29 consecutive years. Clear evidence that investing in the right digital infrastructure companies, those that own and develop purpose-built assets, can provide investors with ‘growth income’ and not ‘fixed income’.

Identifying companies owning 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 March, Uniti Group (1.39% portfolio weight), a A\$3.4bn market cap Australian listed ‘fibre to the home’ network owner and developer, was the target of competing take-over bids by two private equity consortiums. Management chose to recommend a takeover bid by a consortium led by Canada’s Brookfield Asset Management and the fund manager Morrison & Co. The takeover price is 22.9% greater than the Fund’s weighted entry price.

The Uniti takeover is the third take-private within the Fund since its launch ten months ago. The takeover premium can be viewed as further validation of the Fund’s strategy to invest in the best-in-class owners of digital infrastructure assets. This, combined with the liquid and transparent nature of owning listed companies, tends to make the holdings within the Fund ideal targets for asset gathering predators.

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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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

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.£866m VT Gravis UK Infrastructure Income Fund, the c.£424m VT Gravis Clean Energy Income Fund and the c.£89m 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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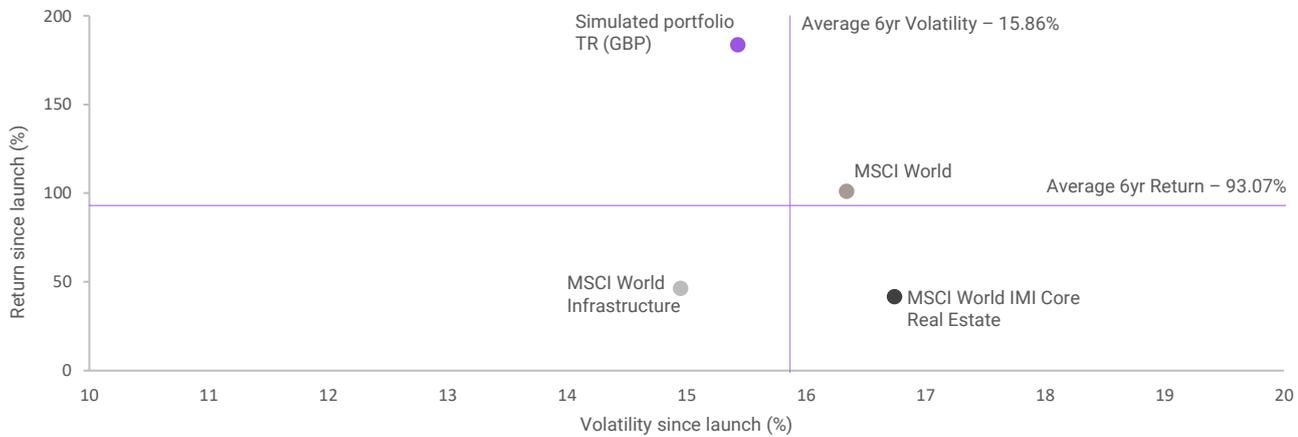
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SIMULATED 6 YEAR PERFORMANCE⁴

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

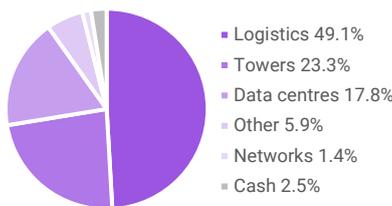
As at 31 March 2022

Company	Holding
Prologis Inc	7.74%
American Tower Corp	6.82%
Goodman Group	5.54%
SEGRO PLC	5.00%
SBA Communications Corp	4.62%
Crown Castle International Corp	4.48%
Digital Realty Trust Inc	3.85%
Equinix Inc	3.82%
Switch Inc	3.01%
Argan SA	3.00%

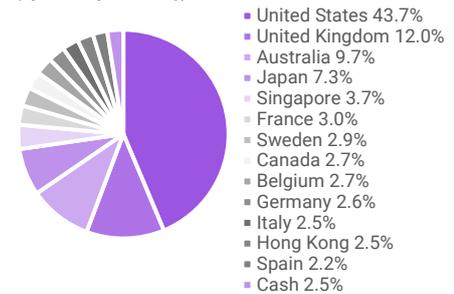
PORTFOLIO CHARACTERISTICS

As at 31 March 2022

Sector breakdown



Geographic breakdown (by country of listing)



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