

### OVERVIEW

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

The Fund:

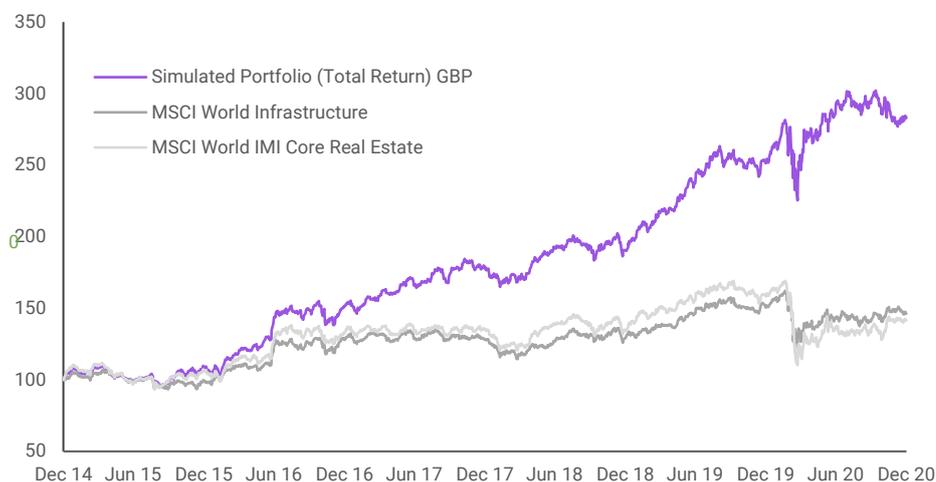
- invests in a diversified portfolio of transferrable securities listed in developed nations, which own the assets that are vital to the digital world such as communication towers, data centres, fibre optic networks and logistics facilities.
- has exposure to physical assets solely through investments 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>	£35.23m
<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 30 November 2021</b>	C Acc (£): 119.0674p C Inc (£): 118.1922p I Acc (£): 119.1570p I Inc (£): 118.2890p
<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>

#### DISCRETE ANNUAL RETURNS

	TOTAL RETURN	VOLATILITY	CORRELATION	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

**"Boosted by the growth in the creation and consumption of data, data centre companies look set to continue to prosper."**

Over the course of November 2021, the NAV of the Fund increased from 114.1833p to 119.0674p (C Acc GBP). This 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 index<sup>1</sup> has increased by 1.48%, and the global real estate index<sup>2</sup> by 12.02%.

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 of society, a trend that will see digital technologies change the way in which we work, live and play. The Fund primarily invests in companies within four specialist sub-sectors of digital infrastructure: 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.

Data centres (19.7% portfolio weight) look set to continue to prosper from the growth in the creation and consumption of data. These infrastructure providers own the buildings that house the computer servers that enable the online world. The Fund seeks exposure to this attractive infrastructure asset class by investing in the best-in-class owners listed in developed markets.

These digital infrastructure champions are seizing the opportunity to extend their geographic reach. On a look-through basis, the Investment Adviser estimates that the Fund has approximately 11.2% portfolio exposure to North American data centres, 4.7% portfolio exposure to Asia Pacific data centres, and 3.7% exposure to data centres located in Europe and the UK. This represents a truly global portfolio of digital infrastructure assets, owned and operated by best-in-class management teams.

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. In November, CyrusOne (3.73% portfolio weight), a \$11.3bn US listed data centre REIT with a portfolio of more than 50 data centres worldwide, was the target of a management approved bid from a pair of private equity firms. While the Investment Adviser would prefer to have exposure to this portfolio of assets for the long-term, the private equity buyers are proposing to pay an attractive 24.7% premium to the undisturbed share price.

CyrusOne is the second take private within the Fund since launch. 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.

With a positive backdrop, the Fund remains well positioned to benefit from future growth in demand from data centre tenants with exposure to five companies listed in the US, Singapore, and Australia, and a further potentially attractive Asian investment opportunity identified.

One current investment, Equinix (3.97% portfolio weight), the US listed global digital infrastructure company operating 237 data centres in 27 countries spread across 5 continents, reported strong results in November. The CEO highlighted how "the pandemic has triggered an accelerated need to digitise business models in virtually every segment of the economy, and our strong Q3 results are reflective of this increasing demand for digital services".

Another current investment, Switch (3.10% portfolio weight), the US listed owner of 12 advanced multi-tenanted data centres across the US, also reported Q3 results. Management highlighted how strategic growth initiatives "continue to gain traction, producing strong double-digit organic revenue growth in the third quarter and a 25% increase in year-to-date incremental revenue signings."

While the tailwinds of the fourth industrial revolution are clear, so is the challenge created by climate change. As highlighted at COP 26, 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. Data centres are estimated<sup>3</sup> to consume more than 2% of the world's electricity and emit roughly as much CO<sub>2</sub> as the airline industry.

To ensure data centres are an integral part of the sustainable future, data centre owners and trade associations have agreed to undertake several actions. For example, in Europe the Climate Neutral Data Centre Pact is a pledge by stakeholders within the sector to achieve climate neutrality by 2030. All the data centre holdings within the Fund that own assets in Europe are signatories to this pact.

As the analogue world continues to migrate to the digital world, 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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### 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.£4bn 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.£819m VT Gravis UK Infrastructure Income Fund, the c.£390m VT Gravis Clean Energy Income Fund and the c.£77m 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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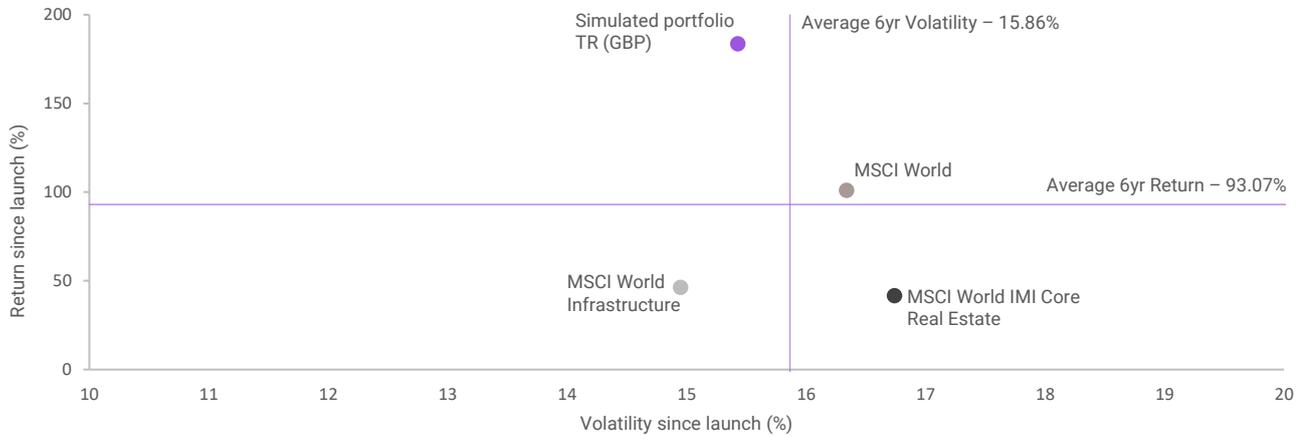
### Dealing

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<sup>1</sup> MSCI World Infrastructure Total Return GBP Index  
<sup>2</sup> MSCI World IMI Core Real Estate Total Return GBP Index  
<sup>3</sup> Yale Environment 360, April 2018

**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**

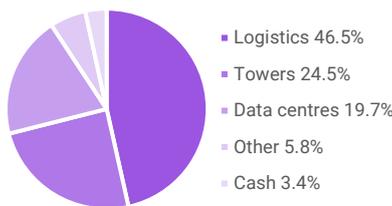
As at 30 November 2021

Company	Holding
Prologis Inc	7.36%
American Tower Corp	7.11%
SEGRO PLC	5.06%
SBA Communications Corp	5.02%
Digital Realty Trust Inc	4.91%
Goodman Group	4.89%
Crown Castle International Corp	4.70%
Equinix Inc	3.97%
CyrusOne Inc	3.73%
Switch Inc	3.10%

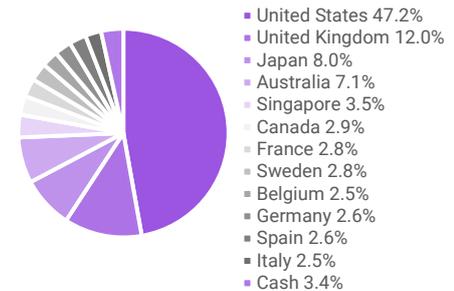
**PORTFOLIO CHARACTERISTICS**

As at 30 November 2021

**Sector breakdown**



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



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