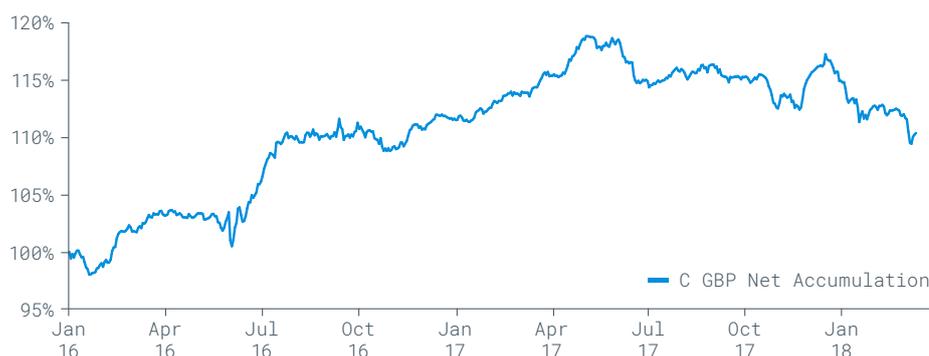


### OVERVIEW

- Deliver a regular income expected to be 5%<sup>1</sup> per annum
- Preserve investors' capital throughout market cycles with the potential for capital growth and protection from inflation
- Invests in GBP UK Listed Securities including Investment Companies, Equities, Bonds and REITs
- Offers exposure to a vital sector for the UK's economy which is increasingly becoming a key component of any well-balanced investment portfolio

### PERFORMANCE CHART

Share Class C GBP Acc 25/1/16 – 29/03/18



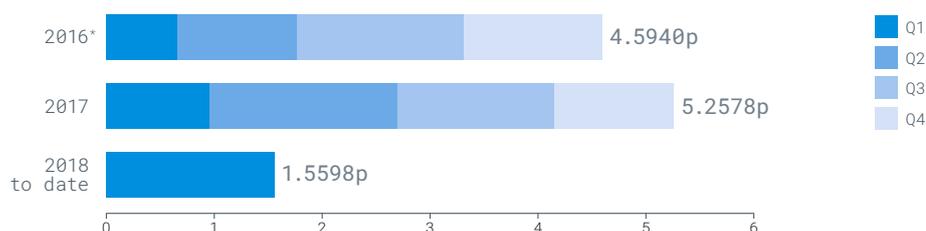
### RETURNS

	MAR 18	3 MONTHS	6 MONTHS	12 MONTHS	SINCE INCEPTION	VOLATILITY
VT Gravis UK Infrastructure Income Fund	-2.07%	-5.03%	-4.31%	-3.13%	10.38%	4.90%
MSCI UK	-2.12%	-7.31%	-2.81%	-0.24%	30.94%	12.88%

Past performance is not necessarily a guide to future performance.  
Fund launched on 25 January 2016.  
Fund performance is illustrated by the C GBP Net Accumulation share class.

### DIVIDENDS

Dividends paid net of charges since inception to 29 March 2018 for C GBP Income share class.



Note: \* Part period from launch on 25 January 2015

Company overview	
<b>Regulatory status</b>	FCA Authorised
<b>Sector</b>	IA Specialist
<b>Launch date</b>	25th January 2016
<b>Fund size</b>	£244.88m
<b>Share classes</b>	Income & Accumulation Clean & Institutional
<b>Charges<sup>2</sup></b>	C: 0.75% pa I: 0.65% pa
<b>Min. investment</b>	C: £1,000 I: £5,000,000
<b>Net yield<sup>3</sup> as at 29 March 2018</b>	C: 5.90% I: 6.11%
<b>Annual turnover to 29 March 2018</b>	11.20%
<b>Dividend ex dates</b>	end of Dec, Mar, June, Sept
<b>Dividend pay dates</b>	end of Jan, Apr, July, Oct
<b>Currencies</b>	£, \$, €
<b>Classification</b>	Non-complex
<b>£ ISINs</b>	C Acc: GB00BYVB3M28 C Inc: GB00BYVB3J98 I Acc: GB00BYVB3T96 I Inc: GB00BYVB3Q65

1. This is an unofficial target and there is no guarantee it will be achieved. Per annum by reference to launch price of £1.00 per unit, payable quarterly, one month in arrears.
2. The OCF (Ongoing Charges Figure) for all share classes will be capped at the AMC (Annual Management Charge) above until 31/12/18 and any costs in excess of the OCF/AMC will be paid by the Investment Adviser.
3. Published dividends are net of charges which are taken from income.

Research Ratings:  
RSMR Rated Fund

## FUND ADVISER'S REPORT

**We anticipate further dividend growth from the Fund's underlying investments during 2018**

General weakness in the pricing of risk assets was persistent in March with the greatest declines occurring towards the end of the month. Macroeconomic factors, including fears over a US-China trade war, were cited as providing the impetus for investors to reduce risk exposure. The listed infrastructure sector was not immune to this trend but proved more resilient when compared to broader equity markets.

Although it has been a frustrating period for investors in the infrastructure sector, comfort may be taken from the fact that underlying asset valuations are proving resilient. Indeed, this is true of companies that have reported updated net asset values thus far in 2018. Stable asset valuations that display low volatility provide a visible reference point for investors and we believe that following the reduction in share price premiums, capital values are well supported with a significant degree of downside risk already factored in. The magnitude of the yields on offer at prevailing prices and the dependability of the long-dated and often inflation-linked cash flows that facilitate these dividends leave us confident that the fundamental attractions of infrastructure assets remain firmly in place.

**First quarter dividend announced**

On 29th March the Fund announced dividend distributions for the first quarter of 2018, payable in April. Holders of the I Class Income units will receive 1.6063p per share

and holders of the C Class Income units will receive 1.5598p. The Fund's first quarter distribution was bolstered by a special cash return from 3i Infrastructure, as reported in our February commentary. Income generation from the portfolio has been very strong; the trailing 12-month net yield on the I Income units stands at 6.11%.

We anticipate further dividend growth from the Fund's underlying investments during 2018 and remain comfortable with the Fund's objective to deliver a 5% net yield this year. The robust first quarter payment to unit holders and the high level of visibility with regards to dividend expectations underpin our confidence.

**Sensitivity to movements in gilt yields**

For many of the companies owned by the Fund, long-term government bond yields feed in to the discount rate used to value assets. However, valuations are not hugely sensitive to changes in yields and it is presently one of the lowest factor sensitivities typically quoted by infrastructure companies. Changes in inflation rates, tax rates, operating costs and secondary market deal pricing are examples of factors to which valuations appear far more sensitive.

The discount rate may be viewed as containing two elements: a risk free rate assumption (long-term government yields) plus a risk premium. The typical risk premium used for infrastructure assets appears

Gravis Advisory Limited is a wholly owned subsidiary of Gravis Capital Management Ltd, a specialist investment advisory firm focused primarily on UK infrastructure ("GCM"). GCM manages c. £2.5bn, including the FTSE 250 company GCP Infrastructure Investments Limited, which has a market capitalisation of over £1bn. GCM is authorised and regulated by the FCA.

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conservative. This is particularly relevant for the 'pure' infrastructure names such as HICL or John Laing Infrastructure. The overall discount rate includes a buffer that could absorb an upward shift in the risk free rate assumption without having a negative impact on NAV. There is a limit of course, but we suspect this buffer could potentially offset a move in yields some way higher than where we are today.

If equities and bonds continue to display a negative correlation with yields, the potential for infrastructure assets to absorb higher yields to a degree would suggest the asset class could prove a useful diversifier within a portfolio context.

**Will Argent**

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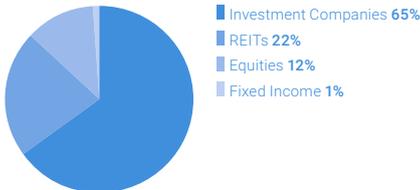
## CORRELATION, PERFORMANCE AND VOLATILITY COMPARISON

25 January 2016 – 29 March 2018

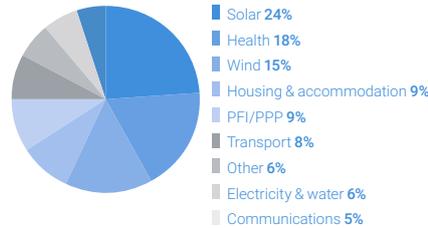
	CORRELATION	RETURN	VOLATILITY	YIELD
VT Gravis UK Infrastructure Income Fund (C GBP Acc)	—	10.4%	4.9%	5.7%
MSCI UK	0.41	30.9%	12.9%	4.2%
MSCI World	0.08	44.3%	12.3%	2.4%
MSCI Global Infrastructure	0.05	18.6%	12.2%	4.4%
UK 10 Yr Gilts	-0.16	2.6%	6.4%	1.4%
MSCI World vs MSCI Global Infrastructure	0.82			

### PORTFOLIO

#### Sectors



#### Underlying Project Exposure



### TOP 10 HOLDINGS ON 29 MARCH 2018

COMPANY	%
Bluefield Solar Income Fund Ltd	9.4
Renewables Infrastructure Group Ltd	9.3
GCP Infrastructure Investments Ltd	9.3
MedicX Fund Ltd	8.6
John Laing Environmental Assets Group Ltd	4.9
NextEnergy Solar Fund Ltd	4.8
Foresight Solar Fund Ltd	4.6
Target Healthcare REIT Ltd	4.6
Sequoia Economic Infrastructure Income Fund Ltd	4.5
Greencoat UK Wind PLC	4.5

#### Available on the following platforms

7IM	James Hay
Aegon	Novia
AJ Bell	Nucleus
Alex	Old Mutual (Skandia)
Allfunds	OM Wealth
Alliance Trust	Parmenion
Ascentric	Pershing
Aviva	Prudential*
Axa Elevate	Raymond James
Canada Life (Dublin)*	SEB International
Cofunds	Life (Dublin)*
FNZ	SEI
Fidelity FundsNetwork	Standard Life
Fusion	Stocktrade
James Brearley	Transact
	True Potential
	*Offshore Bond wrappers

#### Suitable for:

Direct investors	Offshore bonds
SIPPs	Companies
ISAs	QROPS
Charities	

### DRAWDOWNS

Fund	DRAWDOWN	START	END	FUND DURING DRAWDOWN
Fund	-7.91%	25 May 17	26 Mar 18	—
MSCI UK	-10.68%	12 Jan 18	26 Mar 18	-5.72%
MSCI World	-10.00%	11 Jan 18	23 Mar 18	-5.91%
MSCI Global Infrastructure	-15.19%	23 Aug 17	26 Mar 18	-5.55%

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