

VT UK Infrastructure Income Fund

Factsheet
April 2016

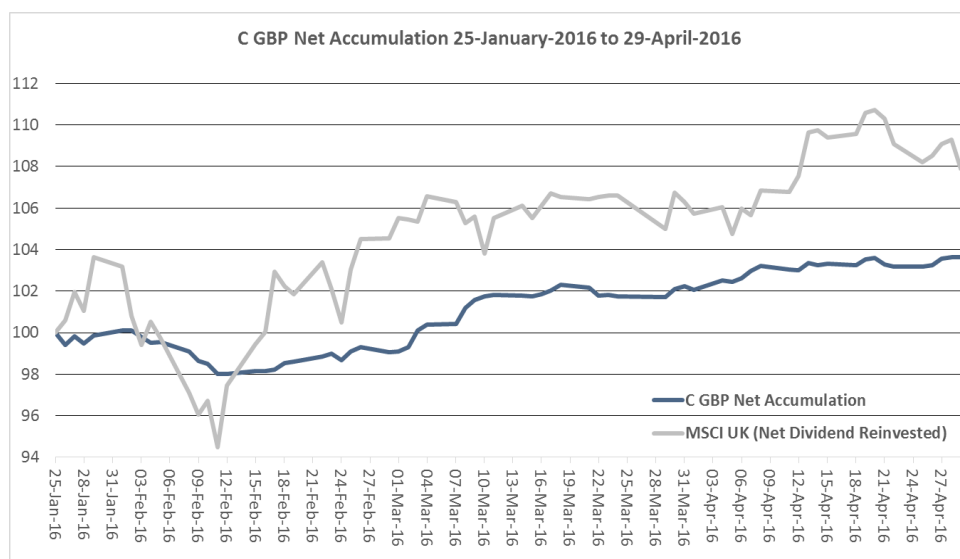


Investment objectives

- To deliver a regular income expected to be 5% per annum¹
- To preserve investors' capital throughout market cycles with the potential for capital growth and protection from inflation
- To provide investors with exposure to the UK listed infrastructure sector
- To offer investors exposure to a sector that is a vital part of the UK economy and is increasingly becoming a key component in any well-balanced investment portfolio

The VT UK Infrastructure Income Fund (the "Fund"), the first UK focused open ended infrastructure fund, launched in January 2016. It invests in UK listed funds, equities and bonds and is advised by GCP Advisory Limited.

Performance Chart



Returns

	Jan-16	Feb-16	Mar-16	Apr-16	Since Inception	Volatility
VT UK Infrastructure Income Fund	-0.14%	-0.81%	3.22%	1.37%	3.64%	4.40%
MSCI UK	3.62%	0.90%	1.65%	1.51%	7.89%	19.70%

Past performance is not necessarily a guide to future performance

The fund launched on 25th January 2016.

UKIIF Performance is illustrated by the C GBP Net Accumulation share class.

Top 10 holdings as at 29 April 2016

GCP Infrastructure Investments	8.7%
Greencoat UK WIND PLC	7.7%
Renewables Infrastructure Group Limited	7.6%
John Laing Infrastructure Fund	6.7%
Foresight Solar Fund Limited	5.1%
Bluefield Solar Income Fund Ltd	4.8%
SSE PLC	4.5%
Medix Fund Ltd	4.4%
Target Healthcare REIT Limited	4.3%
John Laing Environmental Assets Group Limited	4.3%

Regulatory Status	FCA Authorised
Sector	IA Specialist
Fund Size	£23.765m
Share classes	Income & Accumulation Clean & Institutional
Charges²	C – 0.75% pa I – 0.65% pa
Minimum investment	C – £1,000 I – £5,000,000
Dividends	Quarterly
Currencies	£, \$, €
Yield	5% anticipated
£ ISINs	C Acc - GB00BYVB3M28 C Inc - GB00BYVB3J98 I Acc - GB00BYVB3T96 I Inc - GB00BYVB3Q65

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1 – per annum by reference to its launch price of £1.00 per unit, payable quarterly, two months in arrears

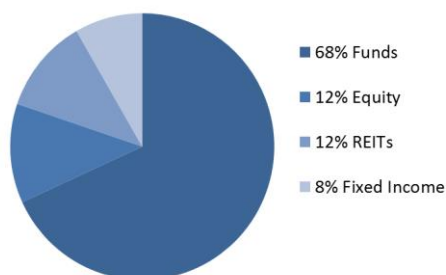
2 – The OCF (Ongoing Charges Figure) for all share classes will be capped at the AMC (Annual Management Charge) above until 31/12/18 and any costs in excess of the OCF/AMC will be paid by the Investment Adviser.

VT UK Infrastructure Income Fund

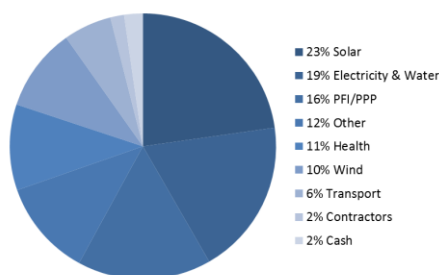
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Allocations



Sources of Income



Available on
the following
platforms

AJ Bell
Allfunds
Alliance Trust
Ascentric
Aviva
Axa Elevate
Cofunds
FNZ
FundsNetwork
Hargreaves Lansdown
James Hay
Novia
Nucleus
Old Mutual (Skandia)
OM Wealth
Stocktrade
Transact
True Potential

Fund Adviser's Report

The Fund gained 1.37% in April (for the C Net Accumulation Share class). Over the same period the MSCI UK Index gained 1.51% as it continued its (increasingly narrowly based) rally from the February lows.

The strongest sector in the UK Equity Market was again Materials (Mining stocks) as commodity values strengthened further based on the market outlook for demand and on technical factors as crowded short positions concluded their unwinds.

In the Fund, the strongest performing assets were the REITs (which are primarily healthcare facility providers). The next strongest performers were the Bonds held, issued by Utility and Infrastructure enterprises. In both these cases, the assets benefited from the renewed realisation that official and market interest rates will remain low for a protracted time frame in almost any conceivable economic scenario.

Bonds are a "dull" asset in many ways of course but in these low return times they can be a most useful addition to a diversified portfolio such as the Fund, where they operate as a moderator of volatility and provider of near-certain yield - and additionally as a contributor, in times of the revision of expectations, to capital returns; at launch on 25th January one of the Fund's holdings, a relatively short dated 6 year Utility Bond, had a mid-price of 100.620 - that same Bond on 29th April was quoted at 105.395 (both sourced from Bloomberg).

In the heart of the Fund portfolio, the Closed-Ended Fund Sector, following the relative volatility seen in December through March (resulting from the falls in energy prices which drove changes in power price assumptions leading to NAV volatility), a welcome period of stability developed in April. Indeed during the month each of the Fund's individual closed-ended fund holdings (of which there were 12 at month end) recorded a gain. There was some difference in performance to be sure, but not one of these holdings detracted from the overall return: good evidence of the longer term reliability of their cash flow generation.

The direct equity holdings of the Fund were trimmed in mid-month (in a rare portfolio re-calibration) to the low double digits as a percentage. This was the result of both increased confidence in the Closed Ended Fund sector, and the belief that a more defensive stance will provide superior relative returns in the near term as the Adviser is of the belief that the major liquid Equity markets will be susceptible to falls in May and June for a host of factors, ranging from Global and UK-specific growth concerns to exogenous matters such as Brexit polls.

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