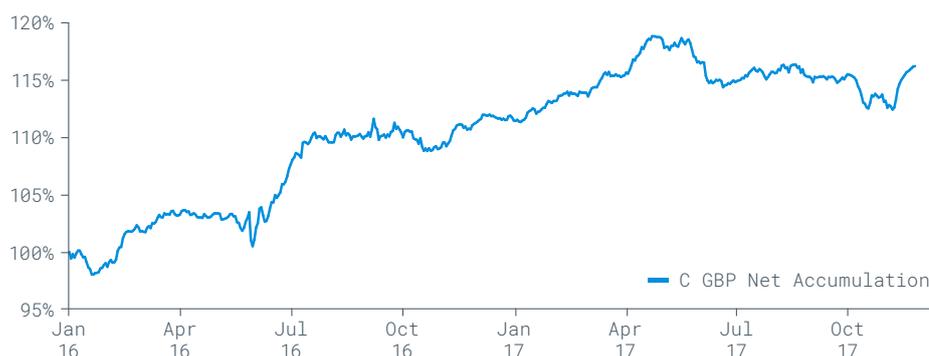


### OVERVIEW

- 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 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 – 29/12/17



### RETURNS

	DEC 17	3 MONTHS	6 MONTHS	12 MONTHS	SINCE INCEPTION	VOLATILITY
VT Gravis UK Infrastructure Income Fund	2.19%	0.76%	-0.66%	4.22%	16.23%	4.73%
MSCI UK	5.03%	4.85%	6.76%	11.71%	41.27%	12.87%

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. Based on £1,000 invested since inception to 29 December 2017.

DIVIDENDS	MAY 16	AUG 16	NOV 16	JAN 17	APR 17	JUL 17	OCT 17	JAN 18	TOTAL INCOME	TOTAL RETURN
UKIIF C GBP Income	£6.61	£10.99	£15.49	£12.85	£9.55	£17.35	£14.60	£11.08	£98.52	£1,164.69
UKIIF I GBP Income	£8.03	£11.47	£16.00	£13.33	£10.05	£17.85	£15.10	£11.47	£103.30	£1,166.90

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.

Company overview	
Regulatory status	FCA Authorised
Sector	IA Specialist
Launch date	25th January 2016
Fund size	£248.61m
Share classes	Income & Accumulation Clean & Institutional
Charges <sup>2</sup>	C: 0.75% pa I: 0.65% pa
Min. investment	C: £1,000 I: £5,000,000
Net yield <sup>3</sup> as at 29 December 2017	C: 4.95% I: 5.14%
Annual turnover to 29 December 2017	12.59%
Dividend ex dates	end of Dec, Mar, June, Sept
Dividend pay dates	end of Jan, Apr, July, Oct
Currencies	£, \$, €
Classification	Non-complex
£ ISINs	C Acc: GB00BYVB3M28 C Inc: GB00BYVB3J98 I Acc: GB00BYVB3T96 I Inc: GB00BYVB3Q65

## FUND ADVISER'S REPORT

## We can identify potential catalysts to drive incremental NAV improvement.

The UK listed infrastructure sector performed a strong, broad-based recovery in December and the Fund generated a positive return of 2.19% (C GBP Accumulation class). The sizeable uplift helped to offset weakness experienced during preceding months and resulted in the Fund achieving a modest 0.76% gain for the fourth quarter. On reflection we view this as a very good outcome: sentiment towards the broader infrastructure sector deteriorated rapidly in November as a number of coincidental factors including heightened political risk and rising interest rates prompted investors to reduce exposure to the asset class. Our conviction view that the fundamentals remained firmly intact led to a consistent approach to portfolio management throughout this period, enabling the Fund to successfully navigate the challenging backdrop and fully participate as the recovery took hold. The Fund's net asset value per share closed the year at a three-month high while total assets increased for the 23rd consecutive month.

On 29th December the Fund announced its dividend distributions for the fourth quarter of 2017, payable in January 2018. Holders of the I Class Income units will receive 1.1473p and holders of the C Class Income units will receive 1.1081p. Total distributions declared during 2017 sum to 5.4474p (I GBP Income) and 5.2578p (C GBP Income).

Based on closing prices for 29th December 2017, the trailing 12-month yields on the I GBP Inc and C GBP Inc units are 5.14% and 4.95%, respectively. The Fund's

fourth quarter distribution was impacted by one of our large portfolio exposures moving its first interim dividend payment into the first quarter of 2018. This is purely a timing issue and the payment will roll into the Fund's first quarterly distribution for 2018. We anticipate further dividend growth from the Fund's underlying assets over the next 12 months and remain comfortable with the 5% yield target.

Following recent price recoveries, many infrastructure companies have returned to more appropriate valuations, in our view. Nevertheless, as we look across the broader sector, the fundamentals remain supportive and we can also identify potential catalysts to drive incremental NAV improvement. We can point to inflationary pressures, for example, which are running ahead of the levels typically used by our portfolio companies to model cash flow expectations. Should prevailing rates persist, near-term income streams could be higher than forecast across a range of infrastructure sub-sectors including renewables, healthcare, PFI assets and infrastructure debt providers. Another positive that may be factored into the valuation of renewable energy assets is the recent improvement in UK electricity futures prices. Prices have increased over the past six months and this could encourage energy consultancies to lift forward expectations. The impact of such an outcome would be accretive to expected cash flows and valuations. The Fund retains a significant and diversified exposure to renewable energy assets; leaving it well positioned to capitalise on any outperformance

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.

## Sales Contacts

William MacLeod 07836 695442  
william.macleod@graviscapital.com

Ollie Matthews 07787 415151  
ollie.matthews@graviscapital.com

Robin Shepherd 07971 836433  
robin.shepherd@graviscapital.com

## Dealing

Valu-Trac 01343 880344  
UKInfrastructure@valu-trac.com

from this section of our universe. Elsewhere, the maligned private-finance model may see a resurgence, with the number of projects available to tender likely to increase following infrastructure development plans outlined in the Autumn Budget Statement.

In addition to their strong underlying fundamentals, it is our expectation that infrastructure assets will remain attractive to investors as we move into 2018. Demand for the risk-return characteristics that the listed infrastructure sector can offer should help to underpin current valuations, particularly when viewed against the implied returns available from sovereign debt and high-grade corporate credit.

**Will Argent**  
Fund Adviser  
Gravis Advisory Ltd  
william.argent@graviscapital.com

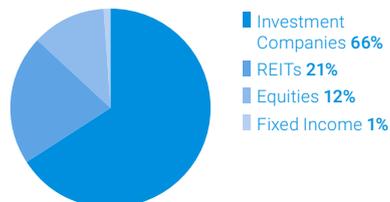
## CORRELATION, PERFORMANCE AND VOLATILITY COMPARISON

25 January 2016 – 29 December 2017

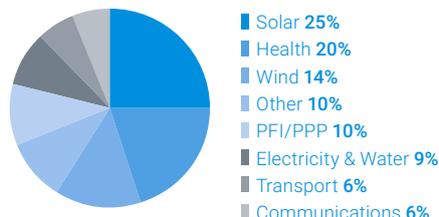
	CORRELATION	RETURN	VOLATILITY	YIELD
VT Gravis UK Infrastructure Income Fund (C GBP Acc)	—	16.2%	4.7%	4.8%
MSCI UK	0.38	41.3%	12.9%	3.8%
MSCI World	0.03	51.6%	11.8%	2.3%
MSCI Global Infrastructure	-0.01	28.9%	12.1%	4.0%
UK 10 Yr Gilts	-0.16	4.5%	6.6%	1.2%
MSCI World vs MSCI Global Infrastructure	0.83			

### PORTFOLIO

#### Sectors



#### Underlying Project Exposure



### TOP 10 HOLDINGS ON 29 DECEMBER 2017

COMPANY	%
GCP Infrastructure Investments Ltd	9.5
Bluefield Solar Income Fund Ltd	9.4
Renewables Infrastructure Group Ltd	9.4
MedicX Fund Ltd	8.9
NextEnergy Solar Fund Ltd	4.9
John Laing Environmental Assets Group Ltd	4.9
Foresight Solar Fund Ltd	4.7
Sequoia Economic Infrastructure Income Fund Ltd	4.5
Greencoat UK Wind PLC	4.5
HICL Infrastructure Company Ltd	4.4

#### 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	-5.40%	25 May 17	08 Dec 17	—
MSCI UK	-8.81%	29 Jan 16	11 Feb 16	-1.84%
MSCI World	-7.54%	29 Jan 16	11 Feb 16	-1.84%
MSCI Global Infrastructure	-8.66%	17 Oct 16	14 Nov 16	-1.14%

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