



VT UK Infrastructure Income Fund

February 2017 Factsheet

Overview

- Deliver a regular income expected to be 5%¹ per annum
- Preserve investors' capital throughout market cycles with the potential for capital growth and protection from inflation
- Invests in 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 – 28/2/17]



Returns

	Feb 17	3 Months	6 Months	12 Months	Since Inception	Volatility
VT UK Infrastructure Income Fund	1.50%	3.24%	3.24%	14.18%	13.10%	5.31%
MSCI UK	3.12%	8.02%	8.86%	24.08%	29.73%	15.25%

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.

Correlation, Performance and Volatility Comparison

25 January 2016 – 28 February 2017

	Correlation	Return	Volatility	Yield
VT UK Infrastructure Income Fund (C GBP Acc)	—	13.1%	5.3%	4.2%
MSCI UK	0.44	29.7%	15.2%	3.9%
MSCI World	-0.01	41.7%	13.2%	2.4%
MSCI Global Infrastructure	-0.08	31.1%	13.8%	4.0%
UK 10 Yr Gilts	-0.23	6.8%	7.6%	1.2%

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.

Regulatory Status	FCA Authorised
Sector	IA Specialist
Launch date	25th January 2016
Fund Size	£145.10m
Share classes	Income & Accumulation Clean & Institutional
Charges²	C: 0.75% pa I: 0.65% pa
Min. investment	C: £1,000 I: £5,000,000
Risk rating	4
Net Yield³ based on launch price of £1 from 25/1/16	C: 4.5940% I: 4.8822%
Dividend ex dates	end of Dec, Mar, June, Sept
Dividend pay dates	end of Jan, Apr, July, Oct
Currencies	£, \$, €
£ ISINs	C Acc: GB00BYVB3M28 C Inc: GB00BYVB3J98 I Acc: GB00BYVB3T96 I Inc: GB00BYVB3Q65

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Fund Adviser's Report

In February, our focus as always remained on protecting capital and on generating a reliable income – we target 5% net of all fees for buyers at current levels – with upside linkage to inflation.

February was a satisfactory month for the VTUKIIF with performance of +1.50% (C Accumulation Class). Two recurrent themes are important to revisit following events within the fund in February, namely: (i) inflation; and (ii) new placements by entities in which the VTUKIIF is invested.

With respect to inflation, the dimension of the linkage of inflation to performance of many infrastructure investments was illustrated by the second half 2016 NAV performance of BSIF (Bluefield Solar Income Fund Limited) in which the VTUKIIF has an 8.5% stake as of 28/02/17. Here an increase in the long term assumption of RPI uplifts within their projects by 0.25%, from 2.5% to 2.75%, increased NAV by 2.8%.

Taken together with an increase in their future energy price assumptions, for that part of their generation not sold via FITs, ROCs and CFDs, the combined effect was an increase in the NAV of 5.7% for the second half of 2016. (Electricity generation was also 4.6% above budget at BSIF due mainly to irradiation levels being 3.7% above stated expectations.)

There is clearly potential for NAV appreciation in others of the Closed End Investment Companies, both renewables and general infrastructure focused, that the VTUKIIF holds, based on these factors; we believe the VTUKIIF is well positioned to capture these improvements in the months ahead.

Turning to placements, a particular example in February was JLEN (John Laing Environmental Assets Group Ltd) an operation we view positively based on strong fundamentals and a particularly diversified asset base. JLEN announced a placement on 19th January, the stock having closed on 18th January at 106.5p. The VTUKIIF applied for 2.1 million shares at 101p and was allocated in full on 8th February in the placing of 55 million shares despite the issue being oversubscribed. By month end these shares were trading at 106.25p, generating considerable performance of 8 bps at the fund level during the month.

As always, we continue to work to preserve capital, to generate 5% net dividend returns (based on current prices) and to provide protection from inflation. As ever we believe in low turnover but we are always researching new opportunities (complacency being as much an enemy of returns as churn) and in this regard we are targeting an investment in an IPO in the REIT sector in March which we believe will provide strong performance and meaningful diversification benefits to the already well diversified portfolio.

Stephen West,
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GCP Advisory Limited is a wholly owned subsidiary of GCP LLP, a limited liability partnership. GCP was established in May 2008 as a specialist investor in infrastructure and now manages and advises over £1.7bn in the UK, including the FTSE 250 company GCP Infrastructure Investments Limited, with market cap of over £900m. The company is authorised and regulated by the FCA. GCP have won numerous awards for their alternative approach to long-term, secure, income-producing investments.

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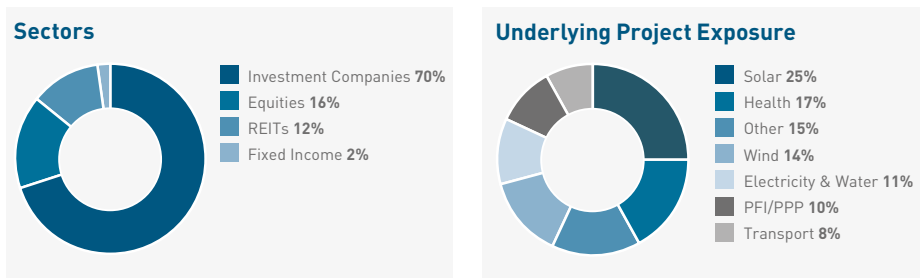
Dealing

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Portfolio



Top 10 holdings on 28 February 2017

Company	%
GCP Infrastructure Investments Ltd	8.6
Bluefield Solar Income Fund Ltd	8.5
Renewables Infrastructure Group Ltd	7.6
MedicX Fund Ltd	6.7
Greencoat UK Wind PLC	4.7
John Laing Environmental Assets Group Ltd	4.6
NextEnergy Solar Fund Ltd	4.6
Foresight Solar Fund Ltd	4.5
SQN Asset Finance Income Fund Ltd	4.5
Target Healthcare REIT Ltd	4.3

Drawdowns

	Drawdown	Start	End	New High	Fund during Drawdown
Fund	-3.04%	29 Apr 16	27 Jun 16	04 Jul 16	—
MSCI UK	-8.81%	29 Jan 16	11 Feb 16	29 Feb 16	-1.84%
MSCI World	-7.54%	29 Jan 16	11 Feb 16	23 Feb 16	-1.84%
MSCI Global Infrastructure	-8.66%	17 Oct 16	14 Nov 16	30 Dec 16	-1.14%

Dividends

Dividends paid net of charges. Based on £1000 invested since inception to 28 February 2017.

Dividends	May 16	Aug 16	Nov 16	Jan 17	Total Income	Total Return
UKIIF C GBP Income	£6.61	£10.99	£15.49	£12.85	£45.94	£1,133.20
UKIIF I GBP Income	£8.03	£11.47	£16.00	£13.33	£48.83	£1,133.56

Available on the following platforms

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

Suitable for:

Direct investors	Offshore bonds
SIPPs	Companies
ISAs	QROPS
Charities	

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