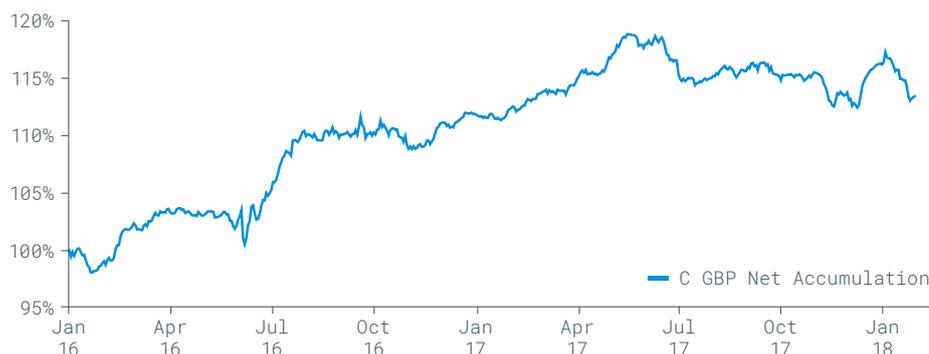


OVERVIEW

- 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 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 – 31/01/18



RETURNS

	JAN 18	3 MONTHS	6 MONTHS	12 MONTHS	SINCE INCEPTION	VOLATILITY
VT Gravis UK Infrastructure Income Fund	-2.42%	-1.44%	-1.24%	1.78%	13.42%	4.78%
MSCI UK	-1.98%	1.11%	3.54%	10.07%	38.47%	12.70%

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 31 January 2018.

DIVIDENDS	2016*	JAN 17	APR 17	JUL 17	OCT 17	JAN 18	TOTAL INCOME	TOTAL RETURN
UKIIF C GBP Income	£33.09	£12.85	£9.55	£17.35	£14.60	£11.08	£98.52	£1,136.52
UKIIF I GBP Income	£35.50	£13.33	£10.05	£17.85	£15.10	£11.47	£103.30	£1,138.89

Note: * Part period from launch on 25 January 2015

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	£248.34m
Share classes	Income & Accumulation Clean & Institutional
Charges ²	C: 0.75% pa I: 0.65% pa
Min. investment	C: £1,000 I: £5,000,000
Net yield ³ as at 31 January 2018	C: 5.07% I: 5.27%
Annual turnover to 31 January 2018	12.07%
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

The portfolio was relatively active in January.

The strong recovery witnessed towards the end of last year proved short-lived and the listed infrastructure sector recorded losses in January. Declines were broad-based with only a handful of names – typically REITs operating within the healthcare space, but also Royal Mail Group – managing to generate positive returns during the period. Against this backdrop the Fund recorded a loss of 2.42% (C Accumulation Class).

Sentiment towards companies exposed to PFI contracts remained soft and this was compounded by the collapse of Carillion, which provides facilities management services on a number of projects. While the practical implications of the contractor's demise are expected to be manageable and material valuation impacts are not anticipated, it served to keep the nationalisation debate at the forefront of investors' minds and the perception of heightened political risk weighed on share prices. We note that the Fund held no direct exposure to Carillion at the time of its liquidation.

Of greater import, however, was a sharp increase in sovereign yields. Over the course of the month the yield available on the generic UK 10-year gilt increased by more than 30 basis points to approximately 1.50% (figure 1). Increased rate expectations put pressure on income generating assets or "bond proxies" as investors deliberate the risk-return tradeoff between these assets and the (essentially) risk free return from a government debt issue.

Figure 1: Generic UK Government 10 Year Yield (12 months)



While the move in yields appears dramatic in the short-term, we would seek to highlight it in the context of a longer timeframe (figure 2). Yields remain very low by historical norms and despite the recent increase there remains a significant differential between the risk-free rate of return and the returns available from other sources of reliable long term cash flows, including infrastructure assets. In addition, the magnitude of the pickup in yields is unlikely to be sufficient to be reflected in the discount rates used in valuation calculations.

Figure 2: Generic UK Government 10 Year Yield (10 years)



We have previously commented that we did not view the Bank of England's decision in November to raise interest rates by 25 basis points as a precursor to a series of near term rate increases. We reiterate that view and our expectation for UK interest rates to continue

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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to remain low for a protracted period. On that basis we would not be surprised to see rate expectations dissipate once more and for government bond yields to retrace somewhat.

The portfolio was relatively active in January. The Fund participated in an equity raise for debt provider GCP Infrastructure at a modest premium to NAV. Elsewhere, target weightings were maintained in HICL, John Laing Infrastructure and 3i Infrastructure thereby reducing the portfolio's average book cost for each. We remain of the view that fundamentals will reassert themselves in time and that these vehicles, which have been under the greatest selling pressure and have seen the most significant devaluations, stand a strong chance of being rerated in the medium term.

Will Argent

Fund Adviser
Gravis Advisory Ltd
william.argent@graviscapital.com

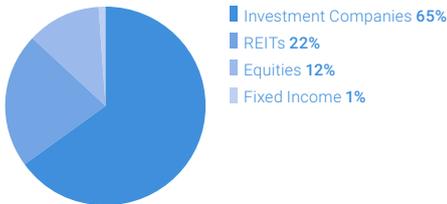
CORRELATION, PERFORMANCE AND VOLATILITY COMPARISON

25 January 2016 – 31 January 2018

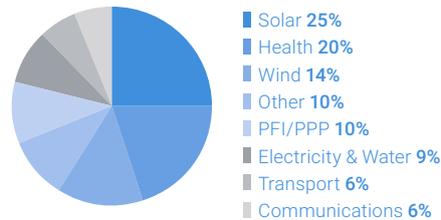
	CORRELATION	RETURN	VOLATILITY	YIELD
VT Gravis UK Infrastructure Income Fund (C GBP Acc)	—	13.4%	4.8%	4.9%
MSCI UK	0.38	38.5%	12.7%	3.8%
MSCI World	0.05	51.9%	11.8%	2.2%
MSCI Global Infrastructure	0.01	23.0%	12.0%	4.1%
UK 10 Yr Gilts	-0.15	1.7%	6.5%	1.5%
MSCI World vs MSCI Global Infrastructure	0.82			

PORTFOLIO

Sectors



Underlying Project Exposure



TOP 10 HOLDINGS ON 31 JANUARY 2018

COMPANY	%
GCP Infrastructure Investments Ltd	9.3
Renewables Infrastructure Group Ltd	9.3
Bluefield Solar Income Fund Ltd	9.1
MedicX Fund Ltd	8.8
NextEnergy Solar Fund Ltd	4.9
John Laing Environmental Assets Group Ltd	4.7
HICL Infrastructure Company Ltd	4.7
Foresight Solar Fund Ltd	4.7
Sequoia Economic Infrastructure Income Fund Ltd	4.6
Target Healthcare REIT Ltd	4.6

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	-9.47%	23 Aug 17	31 Jan 18	-2.12%

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