



VT UK Infrastructure Income Fund

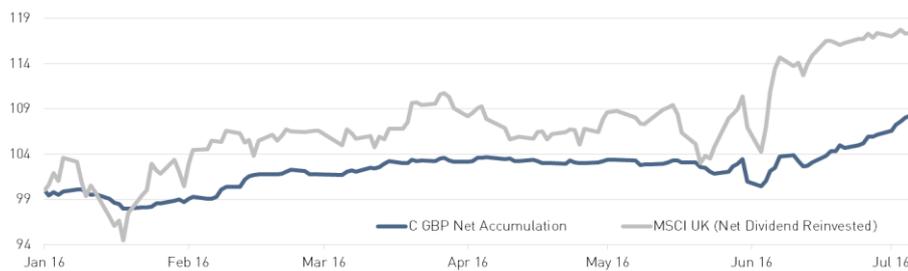
Monthly factsheet

July 2016

Overview

- 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

Performance chart Share class: C GBP Acc [25/1/16 – 29/7/16]



Returns

	July 16	3 Months	Since Inception	Volatility
VT UK Infrastructure Income Fund	5.58%	4.43%	8.24%	6.2%
MSCI UK	3.47%	8.79%	17.37%	19.3%

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

Top 10 holdings as at 29th July 2016

GCP Infrastructure Investments	9.0%
Renewables Infrastructure Group Limited	7.6%
Greencoat UK WIND PLC	7.4%
John Laing Infrastructure Fund	6.8%
Bluefield Solar Income Fund Ltd	5.6%
Medix Fund Ltd	4.5%
Target Healthcare REIT Limited	4.4%
HICL Infrastructure Fund Limited	4.3%
John Laing Environmental Assets Group Limited	4.3%
Foresight Solar Fund Limited	4.2%

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.

Regulatory Status	FCA Authorised
Sector	IA Specialist
Fund Size	£40.366m
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
Dividends Aug 16	C Inc – 1.0992p I Inc – 1.1469p
Currencies	£, \$, €
£ ISINs	C Acc: GB00BYVB3M28 C Inc: GB00BYVB3J98 I Acc: GB00BYVB3T96 I Inc: GB00BYVB3Q65

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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, two months in arrears

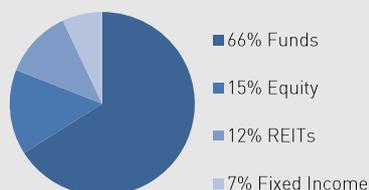
² – The OCF (Ongoing Charges Figure) for all share classes will be capped at the AMC (Annual Management Charge) above until 31/12/18 and any costs in excess of the OCF/AMC will be paid by the Investment Adviser.

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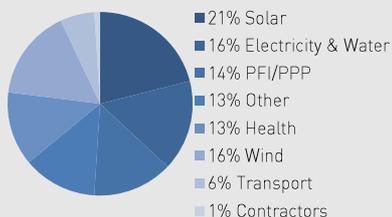
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Allocations



Sources of Income



Available on the following platforms

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

Fund Adviser's Report

The Fund performed strongly in July, with the C Accumulation shares up 5.58%. The MSCI UK Index of large capitalisation stocks was up 3.47% over the period. In investing it is often the performance of the worst performing picks which drives returns and during July this was true as the Fund had only two securities which fell (and each by a small amount). Furthermore, gains were well spread across the portfolio, with no single security producing more than 13% of the total returns. Thus it was the consistency of the fund's picks which produced this outperformance.

To put this in context; as noted over the month, 24 of 26 positions in the Fund contributed positively to returns with only 2 positions (7.7%) detracting by a small amount; in the MSCI Index of 114 stocks, by contrast, the number of detractors was in the order of 25%.

If one thing is clear to everyone in the post Brexit economic world, it is that interest rates in the developed world will stay (even) lower for (even) longer. The Fund seeks to allocate to the best securities to provide a stable and growing income and the price improvement across the portfolio represented a renewed focus by investors on almost all of our holdings. That is not to say that the broader market in July simply illustrated a rally in income stocks. In fact the picture was rather more complex with strong rebounds from post Brexit lows in Materials, Industrials (esp Contractors) and Financials driving most of the gains. Indeed the traditionally yields sectors, Utilities, Consumer Staples and Healthcare produced returns of 0.5%, 2.9% and 4.2% respectively, demonstrating that for July the Fund outperformed the dividend yield alternatives by a healthy margin.

Whilst we do little crystal ball gazing (other than to constantly ask ourselves "what is the worst that could happen [with each of our securities]?") we see no change in the outlook as to the hunt for yield. The Fund will continue to seek to allocate to the best securities in its Infrastructure opportunity set to deliver income and solid capital performance.

The Fund took advantage of Placement opportunities in July by two of the Closed End Funds we hold, buying at advantageous "discount" prices; given our market position and the "buying power" we are able to deploy on behalf of our investors in this way, we see the ability regularly to allocate in this way at the best possible entry prices as a meaningful driver of additional returns.

We continue to like all of the Fund's current positions, but are presently adjusting some weightings to rotate partially out of some of the best performers of the year into those names where we see even better potential for outperformance of risk adjusted return in the future.

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