

VT UK Infrastructure Income Fund

Factsheet

March 2016



GCP

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

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

Investment Commentary:

The Fund again performed satisfactorily in March with a performance of +2.42% [for the I Income Share class]. Over the same period the MSCI UK Index gained 1.65% as it continued its reasonably broad based rally from the February lows.

The strongest sector in the UK Equity Market was Materials (Mining stocks) (+7.6%), as commodity values rebounded and some short positions were covered in both the physical assets and the stocks. Away from this movement, the hunt for yield was again the dominant driver with the next best performing sectors being Utilities (+4.2%) and Consumer Staples (+3.46%) – these being the sectors containing many of the favoured dividend yielding stocks. Over the month, however, Energy stocks did not do well, with the effect of the rebound in the oil price tempered by persistent views that dividends at the oil majors will not be sustained.

The Fund has at its core the strategy to invest in sustainable dividend paying securities. Investors in March were greatly focused on this aspect of investing, as price movements referred to above illustrate. As such the Fund components in aggregate were well positioned and as a result the Fund outperformed the UK Equity market, with lower volatility.

At the Sector Level, the best performing group of holdings in the Fund was Utilities. The individual holdings include exposure to regulated entities which also have some element of exposure (via vertical integration) to energy prices and which can benefit from the anticipated modest rebound from multi decade low prices. These names outperformed both major Energy stocks and the purer Utility plays during the period.

Also a good contribution to price growth came from Solar Funds and the Renewables funds in general, as they recovered some of the losses experienced in December and February which were chiefly the result of revised Power Price Assumptions; the funds were somewhat oversold in February and as management were able to communicate this to investors, and as power prices improved somewhat, then the balance of supply and demand reversed with consequent recoveries in the fund prices. We believe these funds are now close to fair value again and remain committed holders of these stocks for their long term steady (inflation linked) yield characteristics.

The only area of very modest underperformance was in the REITs providing healthcare facilities, where prices were slightly down following an announcement of new issuance in one of our holdings and also some light profit taking based on lower Cap rates (a dynamic that we see taking place across most commercial property sectors in the UK, following very good performance). It should be noted that we for our part do not expect these Cap rates to increase, and remain again committed holders of these stocks for their long term steady (inflation linked) yield characteristics.

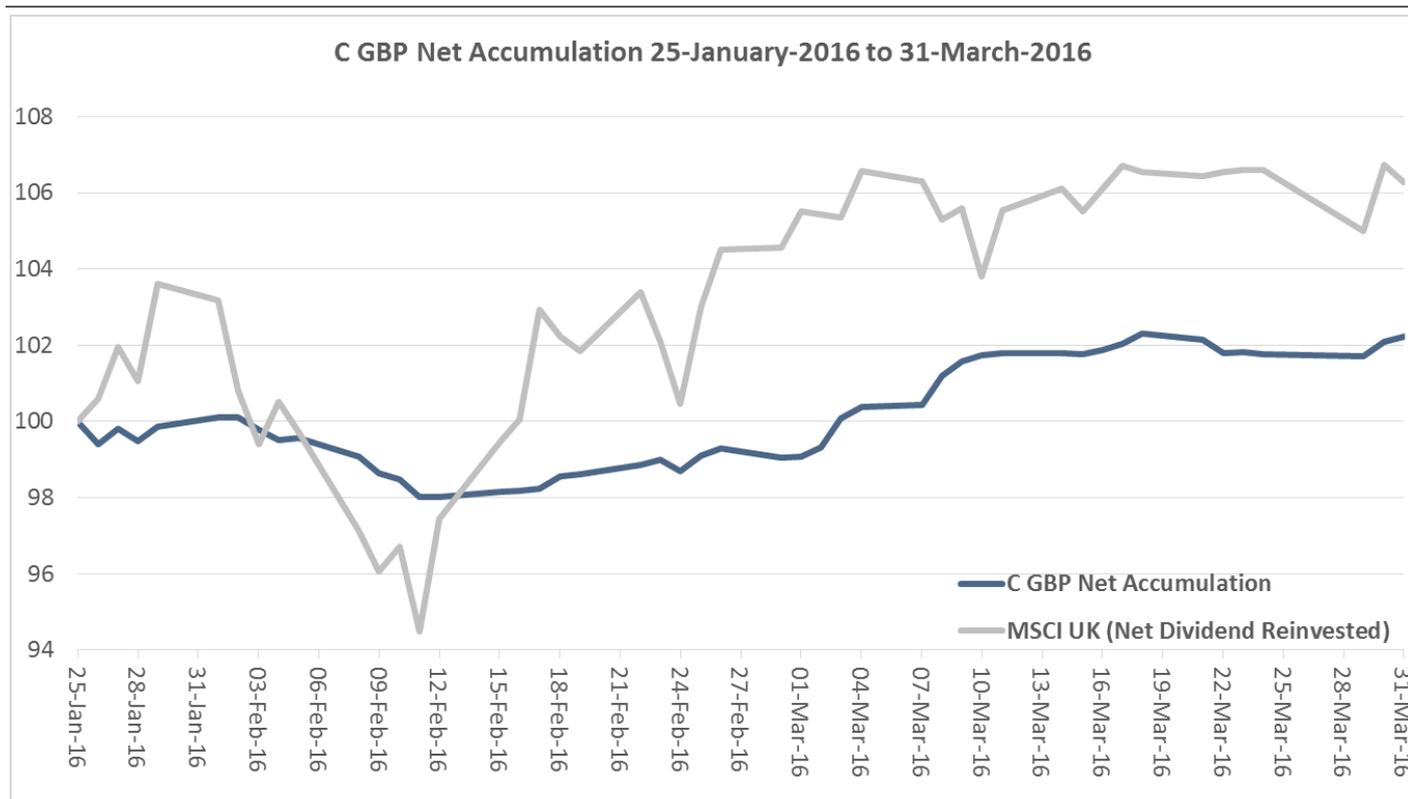
Regulatory Status	FCA Authorised
Sector	IA Specialist
Investment type	Inc & Acc
Fund Size	£12.9m
Currencies	GBP, Euro, USD
Share classes	Clean & Institutional
Charges²	C – 0.75% I – 0.65%
Minimum investment	C – £1,000 I – £5,000,000
£ ISINs	C Acc - GB00BYVB3M28 C Inc - GB00BYVB3J98 I Acc - GB00BYVB3T96 I Inc - GB00BYVB3Q65
Dividends	Paid quarterly
Suitable for:	Direct investors SIPPs ISAs Charities Offshore bonds Companies QROPS
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

‡ Performance and volatility measurements for the Fund are the VT UK Infrastructure Income Fund C GBP Net Accumulation Class

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.



Performance



Returns

	Feb16	Mar16
UKIIF	-0.81%	3.22%
MSCI UK	0.90%	1.65%

Volatility

UKIIF	4.9%
MSCI UK	22.2%

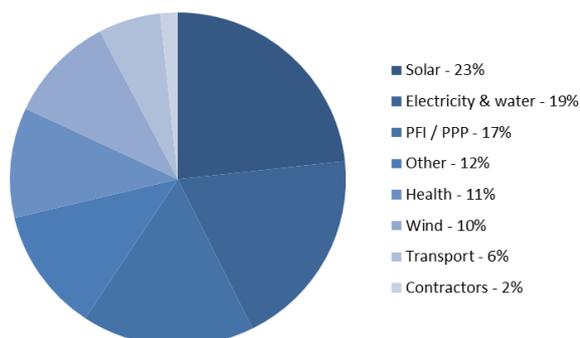
Asset Types

Equity	18.50%
REITs	10.0%
Funds	62.5%
Fixed Income	9%

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.

Portfolio

Sources of income



Top 10 holdings as at 31/3/2016

Name	Weight
GCP Infrastructure Investments	9.0%
John Laing Infrastructure Fund	9.0%
Foresight Solar Fund Limited	8.9%
SSE PLC	8.2%
Renewables Infrastructure Group Limited	4.6%
HICL Infrastructure Fund Limited	4.5%
John Laing Environmental Assets Group Limited	4.5%
Medicx Fund Ltd	4.5%
Bluefield Solar Income Fund Ltd	4.5%

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Investment Adviser

GCP Advisory Limited is owned and managed by Gravis Capital Partners LLP ("GCP"). GCP was established in May 2008 as a specialist investor in infrastructure, managing over £1bn of assets in the sector in the UK. Funds under management include the FTSE 250 company GCP Infrastructure Investments Limited, which has invested over £650m in UK infrastructure. GCP has won numerous awards for its alternative approach to long term, secure, income-generative investments. GCP Advisory Limited will act as Investment Adviser to the Fund.

Investment Manager and dealing



Valu-Trac Investment Management Limited

UKinfrastructure@valu-trac.com

01343 880217

Valu-Trac Dealing

UKinfrastructure@valu-trac.com

01343 880344

Investment Adviser



Stephen Ellis, Investment Adviser

Stephen.ellis@gcpuk.com

020 7518 1495

Sales



William MacLeod, Director

wmacleod@highland-capital.net

07836 695442

Robin Shepherd, Sales Director

rshepherd@highland-capital.net

07971 836433

Ollie Matthews, Sales Director

ollie@highland-capital.net

07787 415151

Emma Beaumont, Sales Support

emmab@highland-capital.net

07801 866094

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