

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 – 31/05/18



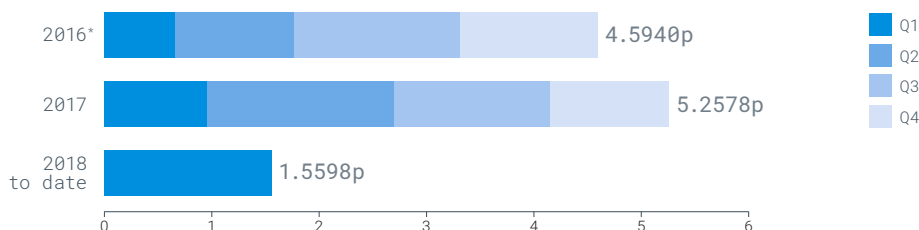
RETURNS

	MAY 18	3 MONTHS	6 MONTHS	12 MONTHS	SINCE INCEPTION	VOLATILITY
VT Gravis UK Infrastructure Income Fund	0.07%	1.26%	0.35%	-3.89%	14.14%	4.81%
MSCI UK	2.64%	7.27%	6.69%	5.68%	43.49%	12.80%

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 since inception to 31 May 2018 for C GBP Income share class.



Note: * Part period from launch on 25 January 2016

Company overview	
Regulatory status	FCA Authorised
Sector	IA Specialist
Launch date	25th January 2016
Fund size	£250.15m
Share classes	Income & Accumulation Clean & Institutional
Charges²	C: 0.75% pa I: 0.65% pa
Min. investment	C: £1,000 I: £5,000,000
Net Asset Value per share as at 31 May 2018	C Acc: £114.14p C Inc: £102.69p I Acc: £114.55p I Inc: £102.43p
Net yield³ as at 31 May 2018	C: 5.71% I: 5.90%
Annual turnover to 31 May 2018	14.34%
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

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 is capped at the AMC (Annual Management Charge) 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.

FUND ADVISER'S REPORT

The trend of positive NAV updates continued in May.

The Fund achieved a return of 0.07% in May. While the gain was modest, it builds upon the strong start to the second quarter overall.

The trend of positive NAV updates continued in May with a number of companies across a range of infrastructure sub-sectors declaring higher valuations. In addition, recently reported asset sales at prices well above carrying value should serve to corroborate valuation assumptions and highlight the latent value within portfolios. This is notably prevalent among PFI/PPP investors with HICL's disposal of its stake (debt and equity) in the "Highland Schools" project for £56.2m providing a good example. The realised price represents a £9.7m/21% uplift over the Directors' valuation at 30th September 2017.

During the period the Fund's position in MedicX modestly detracted from performance after the company revised its dividend policy. The shares fell from a closing price of 82.2p on the day prior to the announcement to 78.8p at close on the 31st May. Instead of paying a portion of its distribution from capital, MedicX will move to a fully covered dividend (i.e. distributing from earnings only). Operationally the company is performing very well and has continued to execute its objective of buying high quality large and strategically important premises. The current portfolio has an average age of 9.1 years, has c.90% of rental income underpinned by the NHS/HSE and an aggregate occupancy rate of 99%.

The structural tailwinds supporting third party development of primary care facilities in the UK and Ireland remain firmly in place and it is a sector we continue to view positively.

While we are agnostic as to the source of income (whether from capital, income or a blend), the policy change was deemed necessary in order to attract new investors and to improve the company's ability to raise capital for future growth. It is important to highlight that the decision does not impact the total return to shareholders from the underlying portfolio. Instead it rebalances the return more evenly between income and capital. In addition, the change does not come into effect until MedicX's 2019 financial year and will not impact the Fund's ability to meet its net yield objective in the near term. We are mindful, however, that as an income fund with a net yield target of 5%, exposures to companies with lower yields need to be balanced on a portfolio view.

The macro and political backdrop has been relatively benign in recent weeks. Of note, however, was the Monetary Policy Committee's decision to leave interest rates unchanged at 0.5% which resulted in a sharp contraction in sovereign yields. We had anticipated that the MPC would act more dovishly than markets expected – during the first quarter of the year a May rate rise was viewed almost as a certainty – but this has not yet led to a re-rating of infrastructure companies (or indeed other bond proxies).

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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As rate expectations get pushed out yet again, it seems reasonable to suggest that investors seeking yield will re-focus on the infrastructure sector.

Will Argent

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CORRELATION, PERFORMANCE AND VOLATILITY COMPARISON

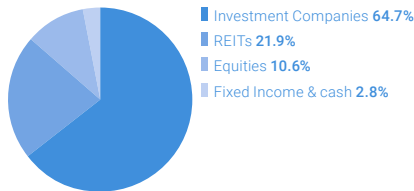
25 January 2016 – 31 May 2018

	CORRELATION	RETURN	VOLATILITY	YIELD
VT Gravis UK Infrastructure Income Fund (C GBP Acc)	—	14.1%	4.8%	5.5%
MSCI UK	0.41	43.5%	12.8%	4.0%
MSCI World	0.08	54.9%	12.3%	2.4%
MSCI Global Infrastructure	0.05	24.2%	12.1%	4.3%
UK 10 Yr Gilts	-0.15	3.3%	6.4%	1.3%
MSCI World vs MSCI Global Infrastructure	0.82			

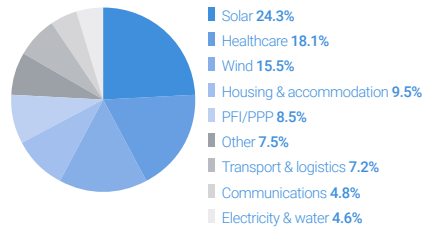
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PORTFOLIO

Sectors



Underlying Project Exposure



TOP 10 HOLDINGS ON 31 MAY 2018

COMPANY	%
Renewables Infrastructure Group Ltd	9.3
Bluefield Solar Income Fund Ltd	9.3
GCP Infrastructure Investments Ltd	9.3
MedicX Fund Ltd	8.5
John Laing Environmental Assets Group Ltd	4.8
NextEnergy Solar Fund Ltd	4.8
Greencoat UK Wind PLC	4.7
Sequoia Economic Infrastructure Income Fund Ltd	4.6
Target Healthcare REIT Ltd	4.6
HICL Infrastructure Company Ltd	4.4

Available on the following platforms

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

Suitable for:

Direct investors	Offshore bonds
SIPPs	Companies
ISAs	QROPS
Charities	

DRAWDOWNS

FUND	DRAWDOWN	START	END	FUND DURING DRAWDOWN
Fund	-7.91%	25 May 17	26 Mar 18	—
MSCI UK	-10.68%	12 Jan 18	26 Mar 18	-5.72%
MSCI World	-10.00%	11 Jan 18	23 Mar 18	-5.91%
MSCI Global Infrastructure	-15.19%	23 Aug 17	26 Mar 18	-5.55%

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