VT UK Infrastructure Income Fund

Monthly factsheet

November 2016

GCP

Overview

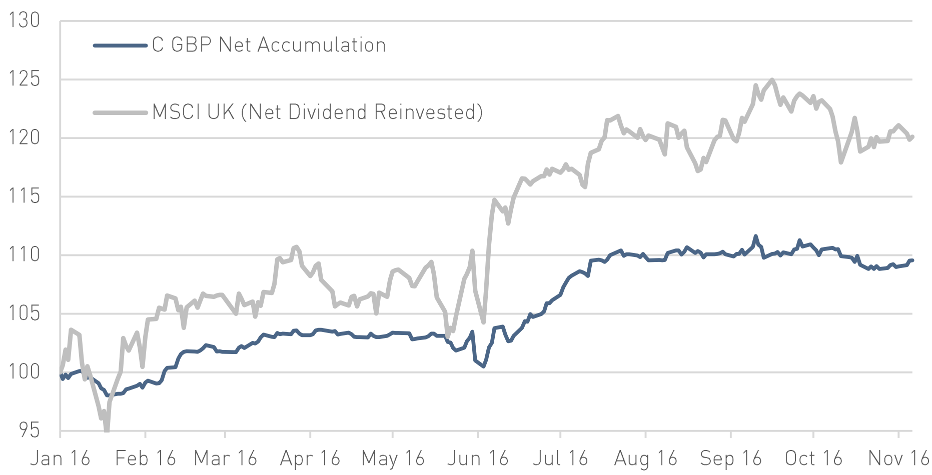
To deliver a regular income expected to be 5%[1] per annum

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: Share Class C GBP Acc [25/1/16 – 30/11/16]



Returns

	Nov 16	3 Months	6 Months	Since Inception	Volatility
VT UK Infrastructure Income Fund	-0.95%	0.00%	6.03%	9.55%	5.84%
MSCI UK	-1.95%	0.77%	11.14%	20.10%	16.79%

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 on 30th November 2016

GCP Infrastructure Investments Ltd	9.0%
Bluefield Solar Income Fund Ltd	8.8%
Renewables Infrastructure Group Ltd	8.3%
Greencoat UK Wind PLC	5.5%
MedicX Fund Ltd	4.9%
Foresight Solar Fund Limited	4.7%
John Laing Environmental Assets Group Ltd	4.7%
Target Healthcare REIT Limited	4.4%
GCP Asset Backed Income Fund Limited	4.4%
NextEnergy Solar Fund Limited	4.4%

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 Investment Companies, Equities and Bonds and is advised by GCP Advisory Limited.

Regulatory Status	FCA Authorised
Sector	IA Specialist
Fund Size	£85.80m
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 Paid:	May 16: C: 0.6611p I: 0.8026p Aug 16: C: 1.0992p I: 1.1469p Nov 16 C: 1.5485p I: 1.6002p **Total: C: 3.3088p** **I: 3.5497p**
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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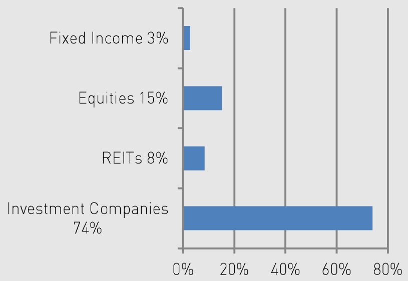
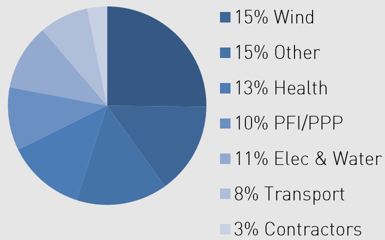
Sectors



Sources of Income



Available on the following platforms

7IM
Aegon
AJ Bell
Allfunds
Alliance Trust
Ascentric
Aviva
Axa Elevate
Cofunds
FNZ
Hargreaves Lansdown
Interactive Investor
James Brearley
James Hay
Novia
Nucleus
Old Mutual (Skandia)
OM Wealth
Pershing
Raymond James
SEI
Standard Life
Stocktrade
Transact
True Potential

Fund Adviser's Report

The Fund closed the month of November down 0.95% (C Accumulation Class) as a result of two factors, namely: (i) the Autumn placement "season" with a number of the Fund's holdings coming to market at prices at a discount to pre-announcement trading levels; and (ii) (a factor affecting prices to a lesser extent) the strong down draught in Gilt prices as long term rates climb, based on higher inflation expectations.

It is worth noting in respect of the second factor above-mentioned that across October and November the Fund was down 0.46% whilst the sell-off in the long Gilt (UKT 3.5% 2045) saw the price drop from 146.86 to 132.17 - a fall of 10%.

The reason for this resilience in the Fund performance – with market prices in some of the Fund's holdings only slightly marked down - is the fact that the long dated cash flows that underlie the Fund do not exhibit any weakness from this change in interest rates. This is based on the fact that the cash flows derived from the infrastructure and renewables closed ended investment companies, from the healthcare REIT leases and from the regulated asset bases of the utilities are all structured such that they adjust upwards - to varying degrees - in line with inflation measures over their long lifetimes.

As regards the first factor above mentioned, in the round the regular share placements by the closed end investment companies are a benefit to the Fund. They allow us as aggregators to participate and generate savings for investors; we are able to put larger amounts to work at advantageous prices, a process that as we have noted before, we actively manage. We shall examine the numbers involved in more detail in our year end update next month.

The combined effect of the two factors referred to, now that the series of placements are almost complete, has been to allow us to continue to put money to work at what we believe to be good value. We believe current pricing levels in our holdings reflect an opportune entry point to buy the inflation-protected cash flows that underlie the Fund, and we retain strong confidence to generate our target yield of 5%[1] per annum over the year for our existing and new investors, whilst protecting capital over the medium term.

Stephen West, Fund Adviser, GCP Advisory Ltd
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