

VT GRAVIS FUNDS ICVC
(Sub-Funds VT Gravis UK Infrastructure Income
Fund and VT Gravis Clean Energy Income Fund)

Report and Financial Statements
for the year ended 31 December 2018

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COMPANY OVERVIEW

Type of Company

VT Gravis Funds ICVC (the Company) is an open-ended investment company with variable capital incorporated in England and Wales under regulation 12 (Authorisation) of the Open Ended Investment Companies (OEIC) Regulations 2001 further to a Financial Conduct Authority (“FCA”) authorisation order dated 21 December 2015. The Company is incorporated under registration number IC001055. It is a UCITS scheme complying with the investment and borrowing powers rules in the Collective Investment Schemes sourcebook (“COLL”) issued by the FCA. Each sub-fund would be a UCITS scheme if they had separate authorisation orders.

The Company has been set up as an umbrella company. The Company has currently two sub-funds available for investment, the VT Gravis UK Infrastructure Income Fund and the VT Gravis Clean Energy Income Fund.

Shareholders are not liable for the debts of the funds.

A shareholder is not liable to make any further payment to the Company after they have paid the price on the purchase of the shares.

STATEMENT OF THE AUTHORISED CORPORATE DIRECTOR'S (ACD'S) RESPONSIBILITIES

The rules of the Financial Conduct Authority's Collective Investment Schemes Sourcebook require the Authorised Corporate Director to prepare financial statements for each accounting year which give a true and fair view of the financial position of the Company at the end of the financial period and its net revenues and net capital losses for the year. In preparing these financial statements the Authorised Corporate Director is required to:

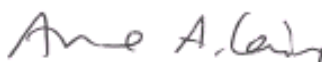
- comply with the Prospectus, the Statement of Recommended Practice for Authorised Funds issued by the Investment Association in May 2014, the Instrument of Incorporation, generally accepted accounting principles and applicable accounting standards, subject to any material departures which are required to be disclosed and explained in the financial statements.
- select suitable accounting policies and then apply them consistently.
- make judgements and estimates that are reasonable and prudent.
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in operation for the foreseeable future.

The Authorised Corporate Director is required to keep proper accounting records and to manage the Company in accordance with the COLL regulations, the Instrument of Incorporation, and the Prospectus. The Authorised Corporate Director is responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

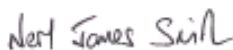
DIRECTOR'S STATEMENT

In accordance with the requirements of the Financial Conduct Authority's Collective Investment Scheme's Sourcebook, we hereby certify the annual report.

Anne A. Laing CA



Neil J. Smith MA BA CA



Valu-Trac Investment Management Limited
Authorised Corporate Director

Date 25 April 2019

STATEMENT OF THE DEPOSITARY'S RESPONSIBILITIES AND REPORT OF THE DEPOSITARY

The Depositary must ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228) (the OEIC Regulations), as amended, the Financial Services and Markets Act 2000, as amended, (together "the Regulations"), and the Company's Instrument of Incorporation and Prospectus (together "the Scheme documents") as detailed below.

The Depositary must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Company and its investors.

The Depositary is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Company in accordance with the Regulations.

The Depositary must ensure that:

- the Company's cash flows are properly monitored and that cash of the Company is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, redemption and cancellation of shares are carried out in accordance with the Regulations;
- the value of shares in the Company is calculated in accordance with the Regulations;
- any consideration relating to transactions in the Company's assets is remitted to the Company within the usual time limits;
- the Company's income is applied in accordance with the Regulations; and
- the instructions of the Authorised Fund Manager ("the AFM") are carried out (unless they conflict with the Regulations).

The Depositary also has a duty to take reasonable care to ensure that the Company is managed in accordance with the Regulations and the Scheme documents in relation to the investment and borrowing powers applicable to the Company.

Having carried out such procedures as we consider necessary to discharge our responsibilities as Depositary of the Company, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Company, acting through the AFM:

- i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and application of the Company's income in accordance with the Regulations and the Scheme documents of the Company, and
- ii) has observed the investment and borrowing powers and restrictions applicable to the Company.

NatWest Trustee and Depositary Services Limited
1 January 2019

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF VT GRAVIS FUNDS (SUB-FUNDS VT GRAVIS UK INFRASTRUCTURE INCOME FUND AND VT GRAVIS CLEAN ENERGY INCOME FUND)

Opinion

We have audited the financial statements of VT Gravis Funds ICVC (“the Company”) for the year ended 31 December 2018 which comprise the Statement of Total Return, Statement of Changes in Net Assets Attributable to Shareholders, Balance Sheet, the related Notes to the Financial Statements and the Distribution Tables. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Generally Accepted Accounting Practice including FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland”.

In our opinion the financial statements:

- give a true and fair view of the financial position of the Company at 31 December 2018 and of the net revenue and the net capital losses on the scheme property of the Company for the year then ended; and
- have been properly prepared in accordance with the IA Statement of Recommended Practice for Authorised Funds, the rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority and the Instrument of Incorporation.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are described further in the auditor’s responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions Relating to Going Concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the ACD’s use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the ACD has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company’s ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other Information

The ACD is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor’s report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF VT GRAVIS FUNDS (SUB-FUNDS VT GRAVIS UK INFRASTRUCTURE INCOME FUND AND VT GRAVIS CLEAN ENERGY INCOME FUND) (Continued)

Opinion on Other Matters Prescribed by the COLL Regulations

In our opinion, based on the work undertaken in the course of the audit:

- Proper accounting records for the Company have been kept and the accounts are in agreement with those records;
- We have received all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit; and
- The information given in the report of the ACD and in the report of the authorised fund manager for the year is consistent with the financial statements.

Responsibilities of the Authorised Corporate Director

As explained more fully in the Authorised Corporate Director's Responsibilities Statement set out on page 2, the Authorised Corporate Director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and for such internal controls as the ACD determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the ACD is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the ACD either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

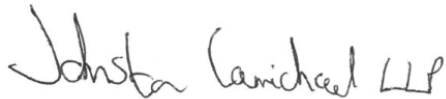
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the ACD.
- Conclude on the appropriateness of the ACD'S use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF VT GRAVIS FUNDS (SUB-FUNDS VT GRAVIS UK INFRASTRUCTURE INCOME FUND AND VT GRAVIS CLEAN ENERGY INCOME FUND) (Continued)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of Our Report

This report is made solely to the Company's shareholders, as a body, in accordance with Rule 4.5.12 of the Collective Investment Schemes sourcebook ("the COLL Rules") issued by the Financial Conduct Authority under the Open-Ended Investment Companies Regulations 2001. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.



Johnston Carmichael LLP
Chartered Accountants
Statutory Auditor
Elgin

Date 26/4/19

SUB-FUND OVERVIEW

Size of Sub-Fund	£286,934,794
Launch date	25 January 2016
Company objective and policy	<p>The investment objective of the VT Gravis UK Infrastructure Income Fund is to generate income and preserve capital with potential for capital growth.</p> <p>The Sub-Fund will aim to meet its objectives by investing primarily in equities (which are mainly listed in the United Kingdom and whose primary activity is in the wider infrastructure sector of the United Kingdom). In addition to investing in equities, the Sub-Fund may also invest in other transferable securities, bonds, collective investment schemes, money market instruments, deposits, cash and near cash.</p> <p>The Sub-Fund will have a specific focus on investments denominated in Sterling, which are themselves invested in Sterling assets and which have most or all of their activities within the UK. Other than as noted in the policy there is no emphasis on any geographical area or industry or economic sector.</p>
Authorised Corporate Director (ACD)	Valu-Trac Investment Management Limited
Ex-distribution dates	31 March, 30 June, 30 September, 31 December
Distribution dates	30 April, 31 July, 31 October, 31 January
Individual Savings Account (ISA)	The Company is a qualifying investment for inclusion in an ISA.
Minimum investment	
Lump sum subscription:	Class C = £1,000 Class I = £5,000,000
Top-up:	Class C = £500 Class I = £10,000
Holding:	Class C = £1,000 Class I = £5,000,000
Redemption:	N/A (provided minimum holding is maintained)
Switching	N/A (provided minimum holding is maintained)
Initial charges	4 %
Redemption and switching charges	Nil

The ACD may waive the minimum levels (and initial charge) at its discretion.

ACD charges

The annual management charge is as follows:

In respect of the Class C shares, it is equal to 0.75% per annum of the net asset value of the Class C shares.

In respect of the Class I shares it is equal to 0.65% per annum of the net asset value of the Class I shares.

The investment manager shall reimburse the Sub-Fund for an amount which, when deducted from the operating costs incurred by the Sub-Fund during the relevant accounting period, would result in the Sub-Fund having a total OCF equal to the stated AMC for each share class e.g. 0.75% in the case of Class C shares and 0.65% in the case of Class I shares in the relevant accounting period

INVESTMENT ADVISER'S REVIEW

This report is a review of the performance of the VT Gravis UK Infrastructure Income Fund (the "Fund") during the twelve-month period ending 31st December 2018.

The performance objectives of the Fund are:

- a. to deliver a 5% income, via quarterly dividend payments;
- b. to preserve investors' capital throughout market cycles; and
- c. to offer the potential for capital growth and protection from inflation.

The Fund seeks to achieve these objectives by investing in a portfolio of securities providing exposure to the UK listed infrastructure sector. The Fund invests in a range of security types, namely Closed End Investment Companies, REITs, Bonds and Public Equities. In the latter case, the companies owned by the Fund are typically utilities or enterprises that provide similarly highly regulated services.

The Fund aims to achieve its objectives by investing in a diversified portfolio of holdings with a minimum of 22 underlying positions. At the end of December 2018, the Fund was comprised of 24 holdings and this number ranged between 24 and 26 during the review period. Many of these holdings represent companies, which in turn are exposed to a diverse spread of infrastructure assets. At the time of review, the portfolio is exposed to over 1,200 individual infrastructure assets. This provides even greater portfolio diversification at a disaggregated level.

The Fund will typically seek to maintain a stable and consistent approach to portfolio construction. The Adviser believes that a properly constructed portfolio will perform throughout market cycles and that excessive levels of portfolio turnover will detract from performance. During the period under review portfolio turnover remained low at 9.39% and on an annualised basis is consistent with the Adviser's expectation that turnover should not exceed 20% per annum typically.

The Fund's performance during the period was consistent with the Fund's objective to preserve capital and generate a 5% net income yield. The C Net Accumulation Class shares were priced at 118.3698p on 31st December 2018, which represents a positive total return of 1.84% over the period.

Dividends, announced in March, June, September and December totalled 5.8232p per share for the I Net Income Class (2017 = 5.4474p) and 5.8153p per share for the C Net Income Class (2017 = 5.2578p). This represents a trailing 12-month net yield of 5.70% and 5.69% for the I Net Income Class and C Net Income Class, respectively.

Dividends and coupons received from the Fund's underlying holdings do not occur in a uniform manner. Rather, payments are received in varying amounts and at varying frequencies throughout the year. Although we anticipate higher total dividend and coupon receipts during 2019 overall, which underpins our confidence the Fund will achieve its objective of delivering a 5% net income yield, investors should not anticipate a similar level of dividend growth in 2019. This reflects non-recurring special cash dividends received during 2018.

The ratings ascribed by investors to companies operating in the broader infrastructure sector are reasonable, having moderated over the course of the year. On 31st December 2018 the weighted average premium at which portfolio companies were trading relative to their net asset values was a modest 3.96%.

The portfolio is constructed with a view to maintaining high levels of exposure towards operational infrastructure assets which attract availability-based payments backed by either government cash flows or a regulatory framework. The Adviser believes this disciplined and risk-averse approach underpins the Fund's ability to generate steady returns that are often disconnected with trends in broader risk assets. The critical social and economic importance of many of the assets owned by the companies held within the Fund should ensure that cash flows maintain continuity regardless of the economic outlook and this is a characteristic that is likely to prove attractive for investors as the UK approaches the final stages of Brexit negotiations.

Gravis Advisory Limited

Investment Adviser to the Fund

PERFORMANCE RECORD

Financial Highlights

Class C Net Income GBP	Year to 31 December 2018	Year to 31 December 2017	Period form 25 January 2016 to 31 December 2016[^]
Changes in net assets per unit	GBP	GBP	GBP
Opening net asset value per unit	106.2184	106.9661	100.0000
Return before operating charges	2.6830	5.3002	12.5307
Operating charges (note 1)	(0.8507)	(0.7901)	(0.9706)
Return after operating charges*	1.8323	4.5101	11.5601
Distribution on income units	(5.8153)	(5.2578)	(4.5940)
Closing net asset value per unit	102.2354	106.2184	106.9661
*after direct transaction costs of:	0.0625	0.1705	0.2277
Performance			
Return after charges	1.73%	4.22%	11.56%
Other information			
Closing net asset value	£41,493,360	£43,273,839	£14,764,967
Closing number of units	40,586,086	40,470,423	13,803,403
Operating charges (note 2)	0.82%	0.75%	0.93%
Direct transaction costs	0.06%	0.16%	0.22%
Prices			
Highest unit price	107.17	113.00	109.52
Lowest unit price	99.32	103.82	98.21

[^]Sub-Fund launched 25 January 2016

Class C Net Accumulation GBP	Year to 31 December 2018	Year to 31 December 2017	Period form 25 January 2016 to 31 December 2016[^]
Changes in net assets per unit	GBP	GBP	GBP
Opening net asset value per unit	116.2285	111.5216	100.0000
Return before operating charges	3.0937	5.5455	12.5052
Operating charges (note 1)	(0.9524)	(0.8386)	(0.9836)
Return after operating charges*	2.1413	4.7069	11.5216
Closing net asset value per unit	118.3698	116.2285	111.5216
Retained distributions on accumulated units	6.3512	5.5938	4.8066
*after direct transaction costs of:	0.0704	0.1822	0.2327
Performance			
Return after charges	1.84%	4.22%	11.52%
Other information			
Closing net asset value	£70,540,352	£71,885,744	£35,139,221
Closing number of units	59,593,176	61,848,631	31,508,886
Operating charges (note 2)	0.82%	0.73%	0.93%
Direct transaction costs	0.06%	0.16%	0.22%
Prices			
Highest unit price	120.58	118.85	111.62
Lowest unit price	109.44	111.34	98.02

[^]Sub-Fund launched 25 January 2016

PERFORMANCE RECORD (Continued)

Financial Highlights (Continued)

Class C Net Income EUR (Hedged)	Year to 31 December 2018	Period from 21 June 2017 to 31 December 2017 [^]
Changes in net assets per unit	EURc	EURc
Opening net asset value per unit	95.0649	100.0000
Return before operating charges	0.7036	(2.1236)
Operating charges (note 1)	(0.7569)	(0.7152)
Return after operating charges*	(0.0533)	(2.8388)
Distribution on income units	(4.4909)	(2.0963)
Closing net asset value per unit	90.5207	95.0649
*after direct transaction costs of:	0.0557	0.1561
Performance		
Return after charges	0.06%	(2.84%)
Other information		
Closing net asset value	€96,877	€40,212
Closing number of units	107,022	42,300
Operating charges (note 2)	0.82%	0.73%
Direct transaction costs	0.06%	0.16%
Prices		
Highest unit price	95.90	100.00
Lowest unit price	88.62	93.01

[^]Share class launched 21 June 2017

Class C Net Accumulation EUR (Hedged)	Year to 31 December 2018	Period from 18 May 2017 to 31 December 2017 [^]
Changes in net assets per unit	EURc	EURc
Opening net asset value per unit	97.7968	100.0000
Return before operating charges	1.4292	(1.4841)
Operating charges (note 1)	(0.7966)	(0.7191)
Return after operating charges*	0.6326	(2.2032)
Closing net asset value per unit	98.4294	97.7968
Retained distributions on accumulated units	4.7044	2.9338
*after direct transaction costs of:	0.0589	0.1582
Performance		
Return after charges	0.65%	(2.20%)
Other information		
Closing net asset value	€79,255	€68,318
Closing number of units	80,519	69,857
Operating charges (note 2)	0.82%	0.73%
Direct transaction costs	0.06%	0.16%
Prices		
Highest unit price	100.35	100.56
Lowest unit price	91.85	94.69

[^]Share class launched 18 May 2017

PERFORMANCE RECORD (Continued)

Financial Highlights (Continued)

Class I Net Income GBP	Year to 31 December 2018	Year to 31 December 2017	Period form 25 January 2016 to 31 December 2016 [^]
Changes in net assets per unit	GBP	GBP	GBP
Opening net asset value per unit	105.9131	106.6558	100.0000
Return before operating charges	2.7795	5.6006	12.4020
Operating charges (note 1)	(0.7451)	(0.8959)	(0.8640)
Return after operating charges*	2.0344	4.7047	11.5380
Distribution on income units	(5.8232)	(5.4474)	(4.8822)
Closing net asset value per unit	102.1243	105.9131	106.6558
*after direct transaction costs of:	0.0624	0.1701	0.2273
Performance			
Return after charges	1.92%	4.41%	11.54%
Other information			
Closing net asset value	£80,923,829	£65,921,177	£32,096,687
Closing number of units	79,240,500	59,408,278	30,093,907
Operating charges (note 2)	0.72%	0.83%	0.83%
Direct transaction costs	0.06%	0.16%	0.22%
Prices			
Highest unit price	106.87	112.70	108.72
Lowest unit price	99.03	103.55	98.02

[^]Sub-Fund launched 25 January 2016

Class I Net Income USD (Hedged)	Year to 31 December 2018	Year to 31 December 2017	Period form 25 January 2016 to 31 December 2016 [^]
Changes in net assets per unit	USDc	USDc	USDc
Opening net asset value per unit	108.2925	108.1357	100.0000
Return before operating charges	2.8306	5.2534	12.7049
Operating charges (note 1)	(0.7667)	(0.8022)	(0.8722)
Return after operating charges*	2.0639	4.4512	11.8327
Distribution on income units	(4.5277)	(4.2944)	(3.6970)
Closing net asset value per unit	105.8287	108.2925	108.1357
*after direct transaction costs of:	0.0642	0.1731	0.2289
Performance			
Return after charges	1.91%	4.12%	11.83%
Other information			
Closing net asset value	\$317,486	\$324,877	\$324,407
Closing number of units	300,000	300,000	300,000
Operating charges (note 2)	0.72%	0.83%	0.83%
Direct transaction costs	0.06%	0.16%	0.22%
Prices			
Highest unit price	109.29	114.65	109.94
Lowest unit price	101.55	105.85	98.62

[^]Sub-Fund launched 25 January 2016

PERFORMANCE RECORD (Continued)

Financial Highlights (Continued)

Class I Net Accumulation GBP	Year to 31 December 2018	Year to 31 December 2017	Period from 25 January 2016 to 31 December 2016 [^]
Changes in net assets per unit	GBP	GBP	GBP
Opening net asset value per unit	116.5548	111.6067	100.0000
Return before operating charges	3.2246	5.7882	12.4846
Operating charges (note 1)	(0.8395)	(0.8401)	(0.8779)
Return after operating charges*	2.3851	4.9481	11.6067
Closing net asset value per unit	118.9399	116.5548	111.6067
Retained distributions on accumulated units	6.6152	5.7860	4.7885
*after direct transaction costs of:	0.0706	0.1825	0.2328
Performance			
Return after charges	2.05%	4.12%	11.61%
Other information			
Closing net asset value	£94,789,492	£70,196,391	£25,438,934
Closing number of units	79,695,309	60,226,094	22,7963,378
Operating charges (note 2)	0.72%	0.83%	0.83%
Direct transaction costs	0.06%	0.16%	0.22%
Prices			
Highest unit price	121.14	119.03	111.66
Lowest unit price	109.80	111.45	97.92

[^]Sub-Fund launched 25 January 2016

1. The operating charges per unit figure is calculated by applying the operating charges percentage to the average net asset valuation per share throughout the period.
2. The operating charges percentage is based on the expenses incurred during the period annualised, as a proportion of the average net asset value of the fund.

Risk Profile

Based on past data, the Fund is ranked a '4' on the synthetic risk and reward indicator scale (of 1 to 7) as described fully in the Key Investor Information Document. The Fund is ranked 4 because historical performance data indicates that it has experienced average rises and falls in market prices historically.

PORTFOLIO STATEMENT

As at 31 December 2018

Holding		Value £	% of net assets
	EQUITIES (2017:97.87%)		
2,810,879	3i Infrastructure Plc	7,323,043	2.55
18,053,101	Bluefield Solar Income Fund	22,205,314	7.73
11,799,522	Foresight Solar Fund Limited	12,713,985	4.43
13,679,731	GCP Asset Backed Income Fund Limited	14,363,718	5.01
22,588,114	GCP Infrastructure Investments Limited	28,528,788	9.94
7,073,321	GCP Student Living Plc	10,602,908	3.70
10,021,317	Greencoat UK Wind Plc	12,616,838	4.40
5,750,000	Gresham House Energy Storage Fund Plc	5,922,500	2.06
8,976,848	HICL Infrastructure Fund Limited	14,093,651	4.91
8,918,043	Impact Healthcare REIT Plc	9,096,404	3.17
13,326,261	John Laing Environmental Assets Group Limited	14,059,205	4.90
26,547,783	Medicx Fund Limited	19,671,907	6.86
1,075,631	National Grid Plc	8,238,796	2.87
13,065,322	NextEnergy Solar Fund Limited	15,025,120	5.24
5,416,618	Primary Health Properties Plc	5,985,363	2.09
24,700,434	Renewables Infrastructure Group Limited	27,862,090	9.71
6,488,328	Residential Secure Income Plc	5,742,170	2.00
12,622,969	Sequoia Economic Infrastructure Income Fund Limited	14,358,627	5.00
3,481,414	Stobart Group Limited	5,079,383	1.77
12,669,324	Target Healthcare REIT Limited	13,587,850	4.74
6,837,932	Vodafone Group Plc	10,501,012	3.66
	TOTAL EQUITIES	277,578,672	96.74
	CORPORATE BONDS (2017:1.09%)		
919,000	Heathrow Airport 5.75% 2025	950,733	0.33
500,000	Peterborough Progress Health Plc 5.581% 02/10/2042	488,830	0.17
1,028,000	Thames Water 5.875% 2022	1,050,256	0.37
		2,489,819	0.87
	Currency hedges (2017:0.00%)	(1,985)	(0.00%)
	Portfolio of investments (2017:98.96%)	280,066,506	97.61%
	Net other assets (2017:1.31%)	8,087,901	2.82%
	Adjustment to revalue assets from mid to bid prices (2017:(0.27%))	(1,219,613)	(0.43%)
		286,934,794	100.00%

SUMMARY OF MATERIAL PORTFOLIO CHANGES

	£
Total sales for the year (note 14)	27,065,276
3i Infrastructure Plc	279,346
Bluefield Solar Income Fund	2,129,019
Foresight Solar Fund Limited	2,221,898
GCP Infrastructure Investments Limited	948,971
GCP Student Living Plc	448,741
HICL Infrastructure Fund Limited	1,122,640
Impact Healthcare REIT Plc	507,093
John Laing Environmental Assets Group Limited	625,394
John Laing Infrastructure Fund	9,682,279
Medicx Fund Limited	175,948
National Grid Plc	599,442
NextEnergy Solar Fund Limited	401,486
Primary Health Properties Plc	422,931
Renewables Infrastructure Group Limited	849,872
Royal Mail Plc	4,469,414
Sequoia Economic Infrastructure Income Fund Limited	300,149
Stobart Group Limited	806,292
Target Healthcare REIT Limited	625,088
Vodafone Group Plc	449,273

	£
Total purchases for the year (note 14)	71,634,563
3i Infrastructure Plc	5,178,038
Bluefield Solar Income Fund	298,365
Foresight Solar Fund Limited	2,733,034
GCP Asset Backed Income Fund Limited	3,664,566
GCP Infrastructure Investments Limited	6,487,579
GCP Student Living Plc	3,731,345
Greencoat UK Wind Plc	1,197,411
Gresham House Energy Storage Fund Plc	5,750,000
HICL Infrastructure Fund Limited	4,214,486
Impact Healthcare REIT Plc	1,476,338
John Laing Environmental Assets Group Limited	2,900,844
John Laing Infrastructure Fund	978,429
Medicx Fund Limited	104,175
National Grid Plc	3,924,632
NextEnergy Solar Fund Limited	2,895,185
Primary Health Properties Plc	4,473,552
Renewables Infrastructure Group Limited	4,270,538
Residential Secure Income Plc	2,506,046
Royal Mail Plc	1,259,702
Sequoia Economic Infrastructure Income Fund Limited	3,169,710
Stobart Group Ltd	1,232,957
Target Healthcare REIT Limited	4,260,101
Vodafone Group Plc	4,927,532

The above purchases and sales represent all of the purchases and sales during the year.

STATEMENT OF TOTAL RETURN

For the year ended 31 December 2018

	Notes	31.12.18		31.12.17	
		£	£	£	£
Income					
Net capital (losses)	2		(10,386,293)		(3,726,885)
Revenue	3	16,663,483		11,366,176	
Expenses	4	(2,042,066)		(1,518,965)	
Interest payable and similar charges	6	-		(308)	
Net revenue before taxation		<u>14,621,417</u>		<u>9,846,903</u>	
Taxation	5	<u>-</u>		<u>-</u>	
Net revenue after taxation			<u>14,621,417</u>		<u>9,846,903</u>
Total return before distributions			4,235,124		6,120,018
Finance costs: distributions	6		<u>(14,621,417)</u>		<u>(9,846,903)</u>
Change in net assets attributable to shareholders from investment activities			<u><u>(10,386,293)</u></u>		<u><u>(3,726,885)</u></u>

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 31 December 2018

	31.12.18	31.12.17
	£	£
Opening net assets attributable to shareholders	247,933,969	107,319,371
Amounts receivable on creation of shares	150,149,847	171,223,745
Amounts payable on cancellation of shares	(109,086,927)	(33,015,524)
Dilution levy	-	35,816
Dividend reinvested	8,324,198	6,087,446
Change in net assets attributable to shareholders from investment activities (see above)	<u>(10,386,293)</u>	<u>(3,726,885)</u>
Closing net assets attributable to shareholders	<u><u>286,934,794</u></u>	<u><u>247,933,969</u></u>

BALANCE SHEET

As at 31 December 2018

		31.12.18		31.12.17	
	Notes	£	£	£	£
FIXED ASSETS					
Investment assets			278,846,893		244,685,902
Current assets					
Debtors	7	2,436,483		2,178,256	
Cash and bank balances	8	<u>10,508,747</u>		<u>2,381,903</u>	
Total current assets			<u>12,945,230</u>		<u>4,560,159</u>
Total assets			291,792,123		249,246,061
LIABILITIES					
Creditors					
Distribution payable on income shares		(1,640,730)		(1,136,067)	
Bank overdraft	8	(50)		-	
Other creditors	9	<u>(3,216,549)</u>		<u>(176,025)</u>	
Total liabilities			<u>(4,857,329)</u>		<u>(1,312,092)</u>
Net assets attributable to shareholders			<u>286,934,794</u>		<u>247,933,969</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

1. Accounting policies

(a) The financial statements have been prepared in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Association (IA) in May 2014. The functional currency is Sterling.

(b) Dividends on equities are recognised when the security is quoted ex-dividend. Other revenue is accounted for on an accruals basis.

Equalisation received by the way of distributions from OEICs/unit trust investment is not included in revenue but is reflected as a reduction in the book cost of that investment.

(c) The ordinary element of stocks received in lieu of cash dividends is recognised as revenue of the Fund, and where applicable is included in the distribution. In the case of an enhanced stock dividend the value of the enhancement is treated as capital.

(d) Special dividends are treated as repayments of capital or revenue depending on the facts of each particular case.

(e) All expenses are accounted for on an accruals basis and, other than those relating to the buying and selling of investments which are charged to capital, all expenses are charged to the revenue of the Fund.

(f) Where the revenue from investments exceeds the expenses of the Fund, quarterly distributions are allocated to all holders of income and accumulation shares.

(g) The listed investments of the Fund have been valued at bid market prices at the closing valuation point on 31 December 2018.

(h) All transactions in foreign currencies are converted into Sterling at the rates of exchange ruling at the date of such transactions. Foreign currency assets and liabilities at the end of the accounting period are translated at the exchange rates at the closing valuation point on 31 December 2018.

(i) Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay less or receive more tax.

Deferred tax assets are recognised only to the extent that the ACD considers that it is more likely than not there will be taxable profits from which underlying timing differences can be deducted.

(j) In certain circumstances the ACD may charge a dilution levy on the sale or repurchase of shares. The levy, which is paid into the Fund, is intended to cover certain charges not included in the bid market value of the Fund, used in calculating the share price, which could have a diluting effect on the performance of the Fund.

(k) Equalisation will be applied to the Fund. An allocation of income to be made in respect of each share issued or sold by the ACD during an accounting period in respect of which that income allocation is made may include a capital sum ("income equalisation") representing the ACD's best estimate of the amount of income included in the price of that share.

The amount of income equalisation in respect of any share may be the actual amount of income included in the issue price of the share in question or it may be an amount arrived at by taking the aggregate of the ACD's best estimate of the amounts of income included in the price of shares in that class issued or sold in the annual or interim period in question and dividing that aggregate by the number of those shares and applying the resultant average to each of the shares in question.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2	Net capital (losses)	31.12.18	31.12.17
	The net capital (losses) comprise:	£	£
	Non-derivative securities (losses)	(10,403,013)	(3,698,320)
	Currency gains/(losses)	14,490	(21,692)
	Currency hedge (losses)/gains	(694)	649
	Transaction charges	(2,316)	(7,522)
	Equalisation dividends	5,240	-
	Total net capital (losses)	<u>(10,386,293)</u>	<u>(3,726,885)</u>
3	Revenue	31.12.18	31.12.17
		£	£
	UK dividends	14,885,320	10,425,895
	Taxable dividends	1,428,300	656,935
	Bond interest	143,146	147,984
	Investment manager's rebate	202,527	135,362
	Bank interest	4,190	-
	Total revenue	<u>16,663,483</u>	<u>11,366,176</u>
4	Expenses	31.12.18	31.12.17
		£	£
	Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director, and agents of either of them:		
	ACD fee	<u>1,834,791</u>	<u>1,349,172</u>
	Payable to the depositary, associates of the depositary, and agents of either of them:		
	Depositary fee	102,005	79,775
	Safe custody fee	<u>17,971</u>	<u>17,277</u>
		<u>119,976</u>	<u>97,052</u>
	Other expenses:		
	Audit fee	8,144	8,081
	FCA fee	112	115
	Legal fee	-	840
	Other fees and subscriptions	<u>79,043</u>	<u>63,705</u>
		<u>87,299</u>	<u>72,741</u>
	Total expenses	<u>2,042,066</u>	<u>1,518,965</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. Taxation	31.12.18	31.12.17
	£	£
(a) Analysis of charge in the year		
Irrecoverable income tax	-	-
Total tax charge for the year (note 5b)	<u>-</u>	<u>-</u>
(b) Factors affecting current tax charge for the year		
The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an open-ended investment company 20.00% (2017:20.00%). The differences are explained below:		
Net revenue before taxation	<u>14,621,417</u>	<u>9,846,903</u>
Corporation tax at 20.00% (2017:20.00%)	2,924,283	1,969,381
<u>Effects of:</u>		
Revenue not subject to UK corporation tax	(2,977,064)	(2,085,179)
Current year expenses not utilised	52,781	115,798
Irrecoverable income tax	-	-
Total tax charge for year (note 5a)	<u>-</u>	<u>-</u>
(c) Provision for deferred taxation		
At 31 December 2018 there is a potential deferred tax asset of £206,462 (31 December 2017: £153,681) in relation to surplus management expenses. It is unlikely the Company will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised.		
6. Finance costs	31.12.18	31.12.17
	£	£
Interim dividend distributions	11,072,765	8,007,268
Final dividend distribution	<u>3,823,456</u>	<u>2,626,812</u>
	14,896,221	10,634,080
Add: Revenue deducted on cancellation of shares	332,694	221,691
Deduct: Revenue received on issue of shares	<u>(607,498)</u>	<u>(1,008,868)</u>
Net distribution for the year	14,621,417	9,846,903
Interest payable and similar charges	<u>-</u>	<u>308</u>
Total finance costs	<u>14,621,417</u>	<u>9,847,211</u>
Reconciliation of distributions		
Net revenue after taxation	14,621,417	9,846,903
Net distribution for the year	<u>14,621,417</u>	<u>9,846,903</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7 Debtors		31.12.18	31.12.17
		£	£
Amounts receivable on trades		304,456	-
Amounts receivable for issue of shares		764,909	1,517,167
Management fee rebate receivable		16,844	15,594
Accrued revenue: dividends receivable		1,232,358	563,693
Withholding tax reclaimable		<u>117,916</u>	<u>81,802</u>
Total debtors		<u><u>2,436,483</u></u>	<u><u>2,178,256</u></u>
8 Cash and bank balances		31.12.18	31.12.17
		£	£
Cash and bank balances		<u>10,508,747</u>	<u>2,381,903</u>
Bank overdraft		<u>(50)</u>	<u>-</u>
9 Creditors		31.12.18	31.12.17
		£	£
Amounts payable for redemption of shares		2,994,585	-
Payable to the ACD		171,201	139,179
Other accrued expenses		<u>50,763</u>	<u>36,846</u>
Total creditors		<u><u>3,216,549</u></u>	<u><u>176,025</u></u>
10. Units held			
Units Held – C Net Income GBP			
Opening units at 01.01.18	40,740,423		
Units issued during the year	23,064,005		
Units cancelled during the year	(23,218,342)		
Closing units at 31.12.18	40,586,086		
Units Held – C Net Income EUR (Hedged)			
Opening units at 01.01.18	42,300		
Units issued during the year	64,722		
Units cancelled during the year	-		
Closing units at 31.12.18	107,022		
Units Held – C Net Accumulation GBP			
Opening units at 01.01.18	61,848,631		
Units issued during the year	26,947,628		
Units cancelled during the year	(29,203,083)		
Closing units at 31.12.18	59,593,176		

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Units Held – C Net Accumulation EUR (Hedged)

Opening units at 01.01.18	69,857
Units issued during the year	10,662
Units cancelled during the year	-
Closing units at 31.12.18	80,519

Units Held – I Net Income GBP

Opening units at 01.01.18	59,408,278
Units issued during the year	43,136,159
Units cancelled during the year	(23,303,937)
Closing units at 31.12.18	79,240,500

Units Held – I Net Income USD (Hedged)

Opening units at 01.01.18	300,000
Units issued during the year	-
Units cancelled during the year	-
Closing units at 31.12.18	300,000

Units Held – I Net Accumulation GBP

Opening units at 01.01.18	60,226,094
Units issued during the year	43,548,372
Units cancelled during the year	(24,079,157)
Closing units at 31.12.18	79,695,309

11. Financial instruments

In pursuing its investment objective as stated on page 7, the Fund holds a number of financial instruments. The Fund's financial instruments comprise securities and other investments, currency hedges, cash balances, debtors and creditors that arise directly from its operations, for example, in respect of sales and purchases awaiting settlement, amounts receivable for issues and payable for redemptions and debtors for accrued revenue.

The main risks arising from the Fund's financial instruments, those of its underlying holdings and the ACD's policies for managing these risks are summarised below. These policies have been applied throughout the year.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Market price risk

Market price risk is the risk that the value of the Fund's investment holdings will fluctuate as a result of changes in market prices caused by factors other than interest rate or foreign currency movement. Market price risk arises mainly from uncertainty about future prices of financial instruments the Fund holds. It represents the potential loss the Fund might suffer through holding market positions in the face of price movements.

The Fund's investment portfolio is exposed to market price fluctuations, which are monitored by the ACD in pursuance of the investment objective and policy as set out in the Prospectus.

Adherence to investment guidelines and to investment and borrowing powers set out in the Instrument of Incorporation, the Prospectus and in the rules of the Financial Conduct Authority's Collective Investment Schemes Sourcebook mitigates the risk of excessive exposure to any particular type of security or issuer.

If market prices at the balance sheet date had been 10% higher or lower while all other variables remained constant, the return attributable to ordinary shareholders and equity for the year ended 31.12.18 would have increased/decreased by £27,884,689 (2017: £24,468,590).

Foreign currency risk

Foreign currency risk is the risk that the value of the Fund's investment holdings will fluctuate as a result of changes in foreign currency exchange rates.

Net currency monetary assets and liabilities consist of:

	Net monetary assets and liabilities		Non-monetary assets		Total net assets	
	£		£		£	
	31.12.18	31.12.17	31.12.18	31.12.17	31.12.18	31.12.17
Sterling	8,087,901	3,248,067	278,846,893	244,685,902	286,934,794	247,933,969
Total	8,087,901	3,248,067	278,846,893	244,685,902	286,934,794	247,933,969

Interest rate risk

The table below details the interest rate risk profile at the balance sheet date.

31.12.18				
Currency	Floating rate financial assets	Fixed rate corporate bonds	Financial assets not carrying interest	Total
	£	£	£	£
Sterling	10,508,697	2,489,819	278,793,557	291,792,073
Total	10,508,697	2,489,819	278,793,557	291,792,073
	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
	£	£	£	£
Sterling	-	-	(4,857,279)	(4,857,279)
Total	-	-	(4,857,279)	(4,857,279)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

31.12.17				
Currency	Floating rate financial assets	Fixed rate corporate bonds	Financial assets not carrying interest	Total
	£	£	£	£
Sterling	2,381,903	2,710,855	244,153,303	249,246,061
Total	2,381,903	2,710,855	244,153,303	249,246,061
	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
	£	£	£	£
Sterling	-	-	(1,312,092)	(1,312,092)
Total	-	-	(1,312,092)	(1,312,092)

Interest rate risk is the risk that the value of the Fund's investment holdings will fluctuate as a result of changes in interest rates.

Maturity of financial liabilities

The financial liabilities of the Fund as at 31 December 2018 are payable either within one year or on demand.

Liquidity risk

The Fund's assets comprise mainly of readily realisable securities. The main liability of the Fund is the redemption of any shares that the investors wish to sell. Assets of the Fund may need to be sold if insufficient cash is available to finance such redemptions.

Credit risk

Certain transactions in securities and bonds that the Fund enters into expose it to the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the Fund has fulfilled its responsibilities. The Fund only buys and sells investments through brokers which have been approved by the ACD as acceptable counterparties and fund management companies. In addition, limits are set to the exposure to any individual broker that may exist at any time and changes in brokers' financial ratings are reviewed.

Fair value disclosure

The fair value hierarchy is intended to prioritise the inputs that are used to measure the fair value of assets and liabilities. The highest priority is given to quoted prices and the lowest priority to un-observable inputs. The criteria applied to the fair values levels in these financial statements are as follows:

A Fair value based on a quoted price for an identical instrument in an active market.

B Fair value based on the price of a recent transaction for an identical instrument.

C1 Fair value based on a valuation technique using observable market data.

C2 Fair value based on a valuation technique that relies significantly on non-observable market data.

Valuation Technique	Assets (£'000)	Liabilities (£'000)
A Quoted prices for identical instruments in active markets	276,359	-
B Price of a recent transaction for an identical instrument	2,490	
C1 valuation technique using observable market data.	-	(2)
Total	278,849	(2)

12. Contingent assets and liabilities

At 31 December 2018, the Fund had no contingent liabilities or commitments. (31 December 2017: £nil).

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13. Post balance sheet events

As indicated in the accounting policies in Note 1, the investments have been valued at the closing valuation point on 31 December 2018. Since that date, the Fund's quoted mid price has moved as follows for each share class:

Share class	Price (GBP) at 31 December 2018	Price (GBP) at 15 April 2019
Class C Net Income GBP	102.2354	109.4886
Class C Net Income EUR (Hedged) (EURc)	90.5207	96.5873
Class I Net Income GBP	102.1243	109.3963
Class I Net Income USD (Hedged) (USDc)	105.8287	113.9773
C Net Accumulation GBP	118.3698	127.9625
C Net Accumulation EUR (Hedged) (EURc)	98.4294	106.0153
I Net Accumulation GBP	118.9399	128.6460

14. Portfolio transaction costs

	31.12.18		31.12.17	
	£	£	£	£
Analysis of total purchase costs				
Purchases in the year before transaction costs		71,483,475		177,679,876
Commissions	38,443	0.05%	128,896	0.07%
Taxes	112,599	0.16%	223,307	0.13%
Levies	46	0.00%	231	0.00%
Total purchase costs	151,088	0.21%	352,434	0.20%
Total purchases including transaction costs		<u>71,634,563</u>		<u>178,032,310</u>
Analysis of total sale costs				
Sales in the year before transaction costs		27,074,905		31,322,039
Commissions	(9,628)	0.04%	(31,180)	0.10%
Levies	(1)	0.00%	(32)	0.00%
Total sale costs	(9,629)	0.04%	(31,212)	0.10%
Total sales net of transaction costs		<u>27,065,276</u>		<u>31,290,827</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

The following represents the total of each type of transaction cost, expressed as a percentage of the Fund's average net asset value in the year:

	2018 £	% of average net asset value	2017 £	% of average net asset value
Commissions	48,071	0.02%	160,076	0.06%
Taxes	112,599	0.04%	223,307	0.09%
Levies	47	0.00%	263	0.00%
	<u>160,717</u>	<u>0.06%</u>	<u>383,646</u>	<u>0.15%</u>

DISTRIBUTION TABLES

Interim distributions in pence per share for Sterling Classes and cent per share for EUR and USD Classes

Group 1: Shares purchased prior to 01 January 2018

Group 2: Shares purchased 01 January 2018 to 31 March 2018

Payment date	Unit type	Share class	Net revenue 2018	Equalisation 2018	Distribution paid / allocated 2018	Distribution paid / allocated 2017
31.01.18	group 1	C Net Income GBP	1.5598	-	1.5598	0.9549
31.01.18	group 2	C Net Income GBP	0.9250	0.6348	1.5598	0.9549
31.01.18	group 1	C Net Income EUR	1.2310	-	1.2310	-
31.01.18	group 2	C Net Income EUR	1.2310	-	1.2310	-
31.01.18	group 1	I Net Income GBP	1.6063	-	1.6063	1.0052
31.01.18	group 2	I Net Income GBP	0.9406	0.6657	1.6063	1.0052
31.01.18	group 1	I Net Income USD	1.1765	-	1.1765	0.8196
31.01.18	group 2	I Net Income USD	1.1765	-	1.1765	0.8196
31.01.18	group 1	C Net Acc GBP	1.7105	-	1.7105	0.9957
31.01.18	group 2	C Net Acc GBP	0.9852	0.7253	1.7105	0.9957
31.01.18	group 1	C Net Acc EUR	1.2664	-	1.2664	-
31.01.18	group 2	C Net Acc EUR	1.2664	-	1.2664	-
31.01.18	group 1	I Net Acc GBP	1.7619	-	1.7619	1.0527
31.01.18	group 2	I Net Acc GBP	0.9435	0.8184	1.7619	1.0527

Interim distributions in pence per share for Sterling Classes and cent per share for EUR and USD Classes

Group 1: Shares purchased prior to 01 April 2018

Group 2: Shares purchased 01 April 2018 to 30 June 2018

Payment date	Unit type	Share Class	Net revenue 2018	Equalisation 2018	Distribution paid / allocated 2018	Distribution paid / allocated 2017
31.07.18	group 1	C Net Income GBP	1.6190	-	1.6190	1.7345
31.07.18	group 2	C Net Income GBP	0.9098	0.7092	1.6190	1.7345
31.07.18	group 1	C Net Income EUR	1.2505	-	1.2505	0.0445
31.07.18	group 2	C Net Income EUR	1.2505	-	1.2505	0.0445
31.07.18	group 1	I Net Income GBP	1.6472	-	1.6472	1.7848
31.07.18	group 2	I Net Income GBP	0.7184	0.9288	1.6472	1.7848
31.07.18	group 1	I Net Income USD	1.2462	-	1.2462	1.4068
31.07.18	group 2	I Net Income USD	1.2462	-	1.2462	1.4068
31.07.18	group 1	C Net Acc GBP	1.7633	-	1.7633	1.8237
31.07.18	group 2	C Net Acc GBP	0.8872	0.8761	1.7633	1.8237
31.07.18	group 1	C Net Acc EUR	1.3048	-	1.3048	0.8518
31.07.18	group 2	C Net Acc EUR	1.3048	-	1.3048	0.8518
31.07.18	group 1	I Net Acc GBP	1.8406	-	1.8406	1.8849
31.07.18	group 2	I Net Acc GBP	0.8891	0.9515	1.8406	1.8849

DISTRIBUTION TABLES (Continued)

Interim distributions in pence per share for Sterling Classes and cent per share for EUR and USD Classes

Group 1: Shares purchased prior to 01 July 2018

Group 2: Shares purchased 01 July 2018 to 30 September 2018

Payment date	Unit type	Share class	Net revenue 2018	Equalisation 2018	Distribution paid / allocated 2018	Distribution paid / allocated 2017
31.10.18	group 1	C Net Income GBP	1.2220	-	1.2220	1.4603
31.10.18	group 2	C Net Income GBP	0.6222	0.5998	1.2220	1.4603
31.10.18	group 1	C Net Income EUR	0.9648	-	0.9648	1.1718
31.10.18	group 2	C Net Income EUR	0.9648	-	0.9648	1.1718
31.10.18	group 1	I Net Income GBP	1.2292	-	1.2292	1.5101
31.10.18	group 2	I Net Income GBP	0.4897	0.7395	1.2292	1.5101
31.10.18	group 1	I Net Income USD	0.9957	-	0.9957	1.1794
31.10.18	group 2	I Net Income USD	0.9957	-	0.9957	1.1794
31.10.18	group 1	C Net Acc GBP	1.3491	-	1.3491	1.5599
31.10.18	group 2	C Net Acc GBP	0.7820	0.5671	1.3491	1.5599
31.10.18	group 1	C Net Acc EUR	1.0117	-	1.0117	1.1861
31.10.18	group 2	C Net Acc EUR	1.0117	-	1.0117	1.1861
31.10.18	group 1	I Net Acc GBP	1.4178	-	1.4178	1.6214
31.10.18	group 2	I Net Acc GBP	0.6295	0.7883	1.4178	1.6214

Final distributions in pence per share for Sterling Classes and cent per share for EUR and USD Classes

Group 1: Shares purchased prior to 01 October 2018

Group 2: Shares purchased 01 October 2018 to 31 December 2018

Payment date	Unit type	Share class	Net Revenue 2019	Equalisation 2019	Distribution paid / allocated 2019	Distribution paid / allocated 2018
31.01.19	group 1	C Net Income GBP	1.4145	-	1.4145	1.1081
31.01.19	group 2	C Net Income GBP	0.4660	0.9485	1.4145	1.1081
31.01.19	group 1	C Net Income EUR	1.0446	-	1.0446	0.8800
31.01.19	group 2	C Net Income EUR	1.0446	-	1.0446	0.8800
31.01.19	group 1	I Net Income GBP	1.3405	-	1.3405	1.1473
31.01.19	group 2	I Net Income GBP	0.5480	0.7925	1.3405	1.1473
31.01.19	group 1	I Net Income USD	1.1093	-	1.1093	0.8886
31.01.19	group 2	I Net Income USD	1.1093	-	1.1093	0.8886
31.01.19	group 1	C Net Acc GBP	1.5283	-	1.5283	1.2145
31.01.19	group 2	C Net Acc GBP	0.3426	1.1857	1.5283	1.2145
31.01.19	group 1	C Net Acc EUR	1.1215	-	1.1215	0.8959
31.01.19	group 2	C Net Acc EUR	1.1215	-	1.1215	0.8959
31.01.19	group 1	I Net Acc GBP	1.5949	-	1.5949	1.2270
31.01.19	group 2	I Net Acc GBP	0.7989	0.7960	1.5949	1.2270

DISTRIBUTION TABLES (Continued)

EQUALISATION

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It represents the accrued revenue included in the purchase price of the shares. It is returned with the distribution as a capital repayment. It is not liable to income tax but must be deducted from the cost of the shares for capital gains tax purposes.

Information for corporate shareholders

A corporate shareholder receives the distribution shown on the voucher enclosed with this report as follows:

- i) 89.33% of the total dividend allocation together with the tax credit is received as franked investment income.
- ii) 10.67% of the dividend allocation is received as an annual payment received after deduction of income tax at the lower rate and is liable to corporation tax. It is not franked investment income.

SUB-FUND OVERVIEW

Size of Sub-Fund	£6,814,470
Launch date	18 December 2017
Company objective and policy	<p>The investment objective of the VT Gravis Clean Energy Income Fund is to generate income and preserve capital with the potential for capital growth.</p> <p>The Sub-Fund will aim to meet its objectives by investing primarily in listed equities whose primary activity or exposure is within the clean energy sector. In addition to investing in equities, the Sub-Fund may also invest in other transferable securities, bonds, collective investment schemes, money market instruments, deposits, cash and near cash.</p> <p>Other than as noted in the policy there is no particular emphasis on any geographical area or industry or economic sector.</p>
Authorised Corporate Director (ACD)	Valu-Trac Investment Management Limited
Ex-distribution dates	31 March, 30 June, 30 September, 31 December
Distribution dates	30 April, 31 July, 31 October, 31 January
Individual Savings Account (ISA)	The Company is a qualifying investment for inclusion in an ISA.
Minimum investment	
Lump sum subscription:	Class C = £100 Class I = £10,000,000
Top-up:	Class C = £100 Class I = £10,000
Holding:	Class C = £100 Class I = £10,000,000
Redemption:	N/A (provided minimum holding is maintained)
Switching	N/A (provided minimum holding is maintained)
Initial, redemption and switching charges	Nil

The ACD may waive the minimum levels (and initial charge) at its discretion.

ACD charges

The annual management charge is as follows:

In respect of the Class C shares, it is equal to 0.80% per annum of the net asset value of the Class C shares.

In respect of the Class I shares it is equal to 0.70% per annum of the net asset value of the Class I shares.

The investment manager shall reimburse the Sub-Fund for an amount which, when deducted from the operating costs incurred by the Sub-Fund during the relevant accounting period, would result in the Sub-Fund having a total OCF equal to the stated AMC for each share class e.g. 0.80% in the case of Class C shares and 0.70% in the case of Class I shares in the relevant accounting period.

INVESTMENT ADVISER'S REVIEW

This report is a review of the performance of the VT Gravis Clean Energy Income Fund (the "Fund") during the twelve-month period ending 31st December 2018.

The performance objectives of the Fund are:

- a. to deliver a 4.5% income, via quarterly dividend payments;
- b. to preserve investors' capital throughout market cycles with the potential for capital growth and protection from inflation; and
- c. to exhibit lower volatility compared to broader global equity markets.

The Fund seeks to achieve these objectives by investing in a portfolio of securities providing exposure to the global clean energy sector including companies involved in the operation, funding, construction, storage and supply of renewable energy and those engaged in energy efficiency, and the reduction of pollutants arising from energy generation and usage. The Fund may invest in a range of security types, namely Closed End Investment Companies, REITs, Bonds and publicly listed Equities.

The Fund aims to achieve its objectives by investing in a diversified portfolio of holdings with a minimum of 22 underlying positions. At the end of December 2018, the Fund was comprised of 27 holdings and this number ranged between 27 and 31 during the review period. Many of these holdings represent companies, which in turn are exposed to diversified portfolios of renewable energy projects thereby providing greater portfolio diversification at a disaggregated level.

The Fund will typically seek to maintain a stable and consistent approach to portfolio construction. The Adviser believes that a properly constructed portfolio will perform throughout market cycles and that excessive levels of portfolio turnover will detract from performance.

The GBP C Net Accumulation Class shares were priced at 101.65p on 31st December 2018, which represents a gain of 1.69% on a total return basis. For reference, the S&P Global Clean Energy Index (GBP) recorded a total return of -2.99% during the review period. In line with its objective, the Fund displayed significantly lower volatility when compared to global equities.

Dividends, announced in March, June, September and December totalled 3.9041p per share for the GBP C Net Income Class, equating to a 12-month trailing net yield of 4.07%. The Fund launched in December 2017 and so there is no comparable distribution for the prior period.

The Adviser notes that the Q1 2018 distribution was somewhat lower than that achieved in subsequent quarters and believes this was largely the result of the process of investing the Fund's initial cash balances in the early stages following launch. It is anticipated that the portfolio will generate higher total income receipts during Q1 2019 and during 2019 overall, which will underpin the objective of delivering a 4.5% net income yield.

Investors should be aware that dividends received from the Fund's underlying holdings do not occur in a uniform manner. Rather, payments are received in varying amounts and at varying frequencies throughout the course of the year and distributions to shareholders are not smoothed.

The Adviser believes the Fund's underlying holdings offer a compelling value proposition and that the market environment is supportive of the Fund's objectives and strategy. A number of new company launches within the renewable energy sector are expected to occur in coming months, thereby increasing the investible universe further – both in terms of breadth and depth.

Gravis Advisory Limited

Investment Adviser to the Fund

PERFORMANCE RECORD

Financial Highlights

Class C Net Income GBP		Year to 31 December 2018	Period form 18 December 2017 to 31 December 2017[^]
Changes in net assets per unit		GBP	GBP
	Opening net asset value per unit	99.6377	100.0000
	Return before operating charges	2.4089	0.0010
	Operating charges (note 1)	(0.7880)	(0.0394)
	Return after operating charges*	1.6209	(0.0384)
	Distribution on income units	(3.9041)	(0.3239)
	Closing net asset value per unit	97.3545	99.6377
	*after direct transaction costs of:	0.1083	0.1098
Performance			
	Return after charges	1.63%	(0.04%)
Other information			
	Closing net asset value	£5,073,629	£1,137,073
	Closing number of units	5,211,498	1,141,207
	Operating charges (note 2)	0.80%	0.80%
	Direct transaction costs	0.11%	0.11%
Prices			
	Highest unit price	102.70	100.00
	Lowest unit price	91.57	99.09

[^]Sub-fund launched 18 December 2017

Class C Net Accumulation GBP		Year to 31 December 2018	Period form 18 December 2017 to 31 December 2017[^]
Changes in net assets per unit		GBP	GBP
	Opening net asset value per unit	99.9600	100.0000
	Return before operating charges	2.4943	(0.0006)
	Operating charges (note 1)	(0.8064)	(0.0394)
	Return after operating charges*	1.6879	(0.0400)
	Closing net asset value per unit	101.6479	99.9600
	Retained distributions on accumulated units	3.9646	0.3220
	*after direct transaction costs of:	0.1109	0.1100
Performance			
	Return after charges	1.69%	(0.04%)
Other information			
	Closing net asset value	£1,749,010	£910,419
	Closing number of units	1,720,656	910,784
	Operating charges (note 2)	0.80%	0.80%
	Direct transaction costs	0.11%	0.11%
Prices			
	Highest unit price	105.88	100.00
	Lowest unit price	92.02	99.09

[^] Sub-fund launched 18 December 2017

PERFORMANCE RECORD (Continued)

Financial Highlights (Continued)

Class I Net Income GBP		Period from 01 January 2018 to 11 April 2018+	Period from 18 December 2017 to 31 December 2017 [^]
Changes in net assets per unit		GBP	GBP
	Opening net asset value per unit	99.6379	100.0000
	Return before operating charges	(5.7701)	0.0735
	Operating charges (note 1)	(0.6721)	(0.0394)
	Return after operating charges*	(6.4422)	(0.0341)
	Distribution on income units	(0.8007)	(0.3280)
	Closing net asset value per unit	92.3950	99.6379
	*after direct transaction costs of:	0.1056	0.1098
Performance			
	Return after charges	(6.47%)	(0.03%)
Other information			
	Closing net asset value	£461,975	£996,379
	Closing number of units	500,000	1,000,000
	Operating charges (note 2)	0.70%	0.70%
	Direct transaction costs	0.11%	0.11%
Prices			
	Highest unit price	100.69	100.00
	Lowest unit price	91.77	99.09

[^]Sub-fund launched 18 December 2017
⁺Share class terminated on 11 April 2018

Class C Net Accumulation EUR (Hedged)

Class C Net Accumulation EUR (Hedged)		Period from 19 February 2018 to 31 December 2018 [^]
Changes in net assets per unit		EURc
	Opening net asset value per unit	100.0000
	Return before operating charges	7.2760
	Operating charges (note 1)	(0.8258)
	Return after operating charges*	6.4502
	Closing net asset value per unit	106.4502
	Retained distributions on accumulated units	3.4260
	*after direct transaction costs of:	0.1135
Performance		
	Return after charges	6.45%
Other information		
	Closing net asset value	€1,065
	Closing number of units	1,000
	Operating charges (note 2)	0.80%
	Direct transaction costs	0.11%
Prices		
	Highest unit price	110.99
	Lowest unit price	97.39

[^] Share class launched 19 February 2018

PERFORMANCE RECORD (Continued)

Financial Highlights (Continued)

Class I Net Accumulation GBP		Period from 14 December 2018 to 31 December 2018 [^]
Changes in net assets per unit		GBP
	Opening net asset value per unit	100.0000
	Return before operating charges	(3.4833)
	Operating charges (note 1)	(0.0320)
	Return after operating charges*	(3.5153)
	Closing net asset value per unit	96.4847
	Retained distributions on accumulated units	0.2924
	*after direct transaction costs of:	0.1081
Performance	Return after charges	(3.52%)
Other information	Closing net asset value	£19,297
	Closing number of units	20,000
	Operating charges (note 2)	0.70%
	Direct transaction costs	0.11%
Prices	Highest unit price	100.00
	Lowest unit price	96.09

[^] Share class launched 14 December 2018

1. The operating charges per unit figure is calculated by applying the operating charges percentage to the average net asset valuation per share throughout the period.
2. The operating charges percentage is based on the expenses incurred during the period annualised, as a proportion of the average net asset value of the fund.

Risk Profile

Based on past data, the Fund is ranked a '5' on the synthetic risk and reward indicator scale (of 1 to 7) as described fully in the Key Investor Information Document. The Fund is ranked 5 because simulated monthly historical performance data indicates that it has experienced relatively high rises and falls in market prices historically.

PORTFOLIO STATEMENT

As at 31 December 2018

Holding		Value £	% of net assets
	EQUITIES (2017: 92.09%)		
20,968	Atlantica Yield Plc	320,495	4.71
245,166	Bluefield Solar Income Fund Limited	301,554	4.43
22,433	Clearway Energy Inc	302,999	4.45
46,721	Encavis AG	231,964	3.40
1,770	First Solar Inc	58,896	0.87
298,132	Foresight Solar Fund Limited	321,237	4.71
300,711	Greencoat Renewables Plc	282,130	4.14
289,590	Greencoat UK Wind Plc	364,594	5.35
135,000	Gresham House Energy Storage Fund Plc	139,050	2.04
21,456	Hannon Armstrong Sustainable Infrastructure Capital Inc	327,028	4.80
29,343	Innergex Renewable Energy Inc	211,328	3.10
411,046	John Laing Environmental Assets Group Limited	433,654	6.36
2,354	Johnson Matthey Plc	65,783	0.97
128,264	Meridian Energy Limited	231,092	3.39
403,659	NextEnergy Solar Fund Limited	464,208	6.81
8,446	Nextera Energy Partners LP	275,599	4.04
4,050	Nibe Industrier AB	32,339	0.47
16,736	Northland Power Inc	209,509	3.07
5,121	Oersted A/S	268,121	3.93
30,399	Pattern Energy Group Inc	437,800	6.42
3,362	Prysmian SpA	50,468	0.74
295,539	Renewables Infrastructure Group Limited	333,368	4.89
5,415	Siemens Gamesa Renewable Energy SA	51,655	0.76
50,260	TerraForm Power Inc	435,011	6.38
48,690	TransAlta Renewables Inc	289,460	4.26
456	Universal Display Corp	33,006	0.48
1,181	Vestas Wind Systems A/S	70,013	1.03
	TOTAL EQUITIES	6,542,361	96.00
	Currency hedge (2017:0.00%)	9,218	0.14
	Portfolio of investments (2017:92.09%)	6,551,579	96.14
	Net other assets (2017: 8.10%)	286,513	4.21
	Adjustment to revalue assets from mid to bid prices (2017: (0.19%))	(23,622)	(0.35)
		6,814,470	100.00

SUMMARY OF MATERIAL PORTFOLIO CHANGES

Total sales for the year (note 14)	£ 1,872,224
8Point3 Energy Partners LP	233,846
Atlantica Yield Plc	45,657
Bluefield Solar Income Fund Limited	58,285
Encavis AG	85,136
Endesa SA	150,736
First Solar Inc	5,587
Foresight Solar Fund Limited	8,494
Greencoat Renewables Plc	12,843
Greencoat UK Wind Plc	82,992
JinkoSolar Holding Co Limited	40,411
John Laing Environmental Assets Group Limited	36,851
Johnson Matthey Plc	58,005
Hannon Armstrong Sustainable Infrastructure Capital Inc	79,051
Iberdrola SA	118,881
Innergex Renewable Energy Inc	26,646
Innogy SE	98,389
Meridian Energy Limited	99,932
NextEnergy Solar Fund Limited	47,082
Nextera Energy Partners LP	40,485
Northland Power Inc	33,324
NRG Yield Inc	38,783
Oersted A/S	8,687
Pattern Energy Group Inc	38,043
Renewables Infrastructure Group Limited	34,484
Saeta Yield SA	232,128
Siemens Gamesa Renewable Energy SA	49,596
TransAlta Renewables Inc	43,779
Universal Display Corp	31,365
Vestas Wind Systems A/S	32,726
Total purchases for the year (note 14)	£ 5,774,631
8Point3 Energy Partners LP	110,233
Atlantica Yield Plc	269,905
Bluefield Solar Income Fund Limited	225,101
Capital Stage AG	44,903
Clearway Energy Inc	66,821
Encavis AG	184,697
Endesa SA	77,464
First Solar Inc	64,410
Foresight Solar Fund Limited	162,429
Greencoat Renewables Plc	221,213
Greencoat UK Wind Plc	278,788
Gresham House Energy Storage Fund Plc	135,000
Hannon Armstrong Sustainable Infrastructure Capital Inc	284,203
Iberdrola SA	66,079
Innergex Renewable Energy Inc	172,919
Innogy SE	33,600
JinkoSolar Holding Co Ltd	38,089
John Laing Environmental Assets Group Limited	352,769
Johnson Matthey Plc	100,505
Meridian Energy Ltd	173,249
NextEnergy Solar Fund Limited	371,521
Nextera Energy Partners LP	209,642
Nibe Industrier AB	16,215
Northland Power Inc	166,727
NRG Yield Inc	172,177
Oersted A/S	183,954
Pattern Energy Group Inc	390,486
Prysmian SpA	45,524
Renewables Infrastructure Group Limited	232,333
Saeta Yield SA	28,552
Siemens Gamesa Renewable Energy SA	62,537
TerraForm Power Inc	445,891
TransAlta Renewables Inc	267,970
Universal Display Corp	55,779
Vestas Wind Systems A/S	62,946

The above purchases and sales represent all of the purchases and sales during the year.

STATEMENT OF TOTAL RETURN

For the year ended 31 December 2018

	Notes	31.12.18		From 18.12.17 to 31.12.17	
		£	£	£	£
Income					
Net capital (losses)	2		(66,371)		(16,277)
Revenue	3	303,948		12,583	
Expenses	4	(83,286)		(5,770)	
Interest payable and similar charges	6	-		-	
Net revenue before taxation		<u>220,662</u>		<u>6,813</u>	
Taxation	5	<u>(13,179)</u>		<u>-</u>	
Net revenue after taxation			<u>207,483</u>		<u>6,813</u>
Total return/(expenses) before distributions			141,112		(9,464)
Finance costs: distributions	6		<u>(212,283)</u>		<u>(9,878)</u>
Change in net assets attributable to shareholders from investment activities			<u><u>(71,171)</u></u>		<u><u>(19,342)</u></u>

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 31 December 2018

	31.12.18	From 18.12.17 to 31.12.17
	£	£
Opening net assets attributable to shareholders	3,034,906	-
Amounts receivable on creation of shares	5,742,828	3,051,315
Amounts payable on cancellation of shares	(1,954,384)	-
Dividend reinvested	60,038	2,933
Dilution levy	2,253	-
Change in net assets attributable to shareholders from investment activities (see above)	<u>(71,171)</u>	<u>(19,342)</u>
Closing net assets attributable to shareholders	<u><u>6,814,470</u></u>	<u><u>3,034,906</u></u>

BALANCE SHEET

As at 31 December 2018

		31.12.18		31.12.17	
	Notes	£	£	£	£
FIXED ASSETS					
Investment assets			6,527,957		2,788,968
Current assets					
Debtors	7	196,563		62,966	
Cash and bank balances	8	<u>206,618</u>		<u>196,180</u>	
Total current assets			<u>403,181</u>		<u>259,146</u>
Total assets			6,931,138		3,048,114
LIABILITIES					
Creditors					
Bank overdraft	8	-		(1,257)	
Distribution payable on income shares		(54,679)		(6,976)	
Creditors	9	<u>(61,989)</u>		<u>(4,975)</u>	
Total liabilities			<u>(116,668)</u>		<u>(13,208)</u>
Net assets attributable to shareholders			<u><u>6,814,470</u></u>		<u><u>3,034,906</u></u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

1 Accounting policies

(a) The financial statements have been prepared in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Association (IA) in May 2014. The functional currency is Sterling.

(b) Dividends on equities are recognised when the security is quoted ex-dividend. Other revenue is accounted for on an accruals basis.

Equalisation received by the way of distributions from OEICs/unit trust investment is not included in revenue but is reflected as a reduction in the book cost of that investment.

(c) The ordinary element of stocks received in lieu of cash dividends is recognised as revenue of the Fund, and where applicable is included in the distribution. In the case of an enhanced stock dividend the value of the enhancement is treated as capital.

(d) Special dividends are treated as repayments of capital or revenue depending on the facts of each particular case.

(e) All expenses are accounted for on an accruals basis and, other than those relating to the buying and selling of investments which are charged to capital, all expenses are charged to the revenue of the Fund.

(f) Where the revenue from investments exceeds the expenses of the Fund, quarterly distributions are allocated to all holders of income and accumulation shares.

(g) The listed investments of the Fund have been valued at bid market prices at the closing valuation point on 31 December 2018.

(h) All transactions in foreign currencies are converted into Sterling at the rates of exchange ruling at the date of such transactions. Foreign currency assets and liabilities at the end of the accounting year are translated at the exchange rates at the closing valuation point on 31 December 2018.

(i) Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay less or receive more tax.

Deferred tax assets are recognised only to the extent that the ACD considers that it is more likely than not there will be taxable profits from which underlying timing differences can be deducted.

(j) In certain circumstances the ACD may charge a dilution levy on the sale or repurchase of shares. The levy, which is paid into the Fund, is intended to cover certain charges not included in the bid market value of the Fund, used in calculating the share price, which could have a diluting effect on the performance of the Fund.

(k) Equalisation will be applied to the Company. An allocation of income to be made in respect of each share issued or sold by the ACD during an accounting period in respect of which that income allocation is made may include a capital sum ("income equalisation") representing the ACD's best estimate of the amount of income included in the price of that share.

The amount of income equalisation in respect of any share may be the actual amount of income included in the issue price of the share in question or it may be an amount arrived at by taking the aggregate of the ACD's best estimate of the amounts of income included in the price of shares in that class issued or sold in the annual or interim period in question and dividing that aggregate by the number of those shares and applying the resultant average to each of the shares in question.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

	31.12.18	From 18.12.17 to 31.12.17
	£	£
2 Net capital (losses)	31.12.18	From 18.12.17 to 31.12.17
The net capital (losses) comprise:	£	£
Non-derivative securities (losses)	(185,795)	(11,231)
Currency hedge gain	9,218	-
Currency gains/(losses)	111,813	(4,581)
Transaction charges (custodian)	(1,607)	(465)
	<u>(66,371)</u>	<u>(16,277)</u>
Total net capital (losses)	<u><u>(66,371)</u></u>	<u><u>(16,277)</u></u>
3 Revenue	31.12.18	From 18.12.17 to 31.12.17
	£	£
UK dividends	92,620	-
Overseas dividends	173,689	10,564
Investment manager's rebate	37,616	2,019
Bank interest	23	-
Total revenue	<u>303,948</u>	<u>12,583</u>
4 Expenses	31.12.18	From 18.12.17 to 31.12.17
	£	£
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director, and agents of either of them:		
Annual management charge	<u>42,640</u>	<u>1,289</u>
Payable to the depositary, associates of the depositary, and agents of either of them:		
Depositary fee	18,099	542
Safe custody fee	<u>548</u>	<u>16</u>
	<u>18,647</u>	<u>558</u>
Other expenses:		
Audit fee	8,100	3,300
FCA fee	128	5
Other expenses	<u>13,771</u>	<u>618</u>
	<u>21,999</u>	<u>3,923</u>
Total expenses	<u><u>83,286</u></u>	<u><u>5,770</u></u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

	31.12.18	From 18.12.17 to 31.12.17
	£	£
5. Taxation		
(a) Analysis of charge in the year		
Irrecoverable income tax	13,179	-
Total tax charge for the year (note 5b)	<u>13,179</u>	<u>-</u>
(b) Factors affecting current tax charge for the year		
The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an open-ended investment company 20.00% (2017: 20.00%). The differences are explained below:		
Net revenue before taxation	220,662	6,813
Corporation tax at 20.00% (2017: 20.00%)	44,132	1,363
<u>Effects of:</u>		
Revenue not subject to UK corporation tax	(53,262)	(2,113)
Current year expenses not utilised	9,130	750
Irrecoverable income tax	13,179	-
Total tax charge for year (note 5a)	<u>13,179</u>	<u>-</u>
(c) Provision for deferred taxation		
At 31 December 2018 there is a potential deferred tax asset of £9,880 (31 December 2017: £750) in relation to surplus management expenses.		
6. Finance costs	31.12.18	From 18.12.17 to 31.12.17
	£	£
Interim dividend distribution	150,870	-
Final dividend distribution	73,395	9,909
	<u>224,265</u>	<u>9,909</u>
Add: Revenue deducted on cancellation of shares	5,433	-
Deduct: Revenue received on issue of shares	(17,415)	(31)
Net distribution for the year	<u>212,283</u>	<u>9,878</u>
Interest payable and similar charges	-	-
Total finance costs	<u>212,283</u>	<u>9,878</u>
Reconciliation of distributions		
Net revenue after taxation	207,483	6,813
Expenses paid from capital	4,800	3,065
Net distribution for the year	<u>212,283</u>	<u>9,878</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7 Debtors	31.12.18	31.12.17
	£	£
Amounts receivable on issue of shares	23,726	50,375
Management fee rebate receivable	39,635	2,019
Amounts receivable on outstanding sales	103,527	-
Accrued revenue: dividends	24,377	10,572
withholding tax reclaimable	5,298	-
Total debtors	<u>196,563</u>	<u>62,966</u>
8 Cash and bank balances	31.12.18	31.12.17
	£	£
Cash and bank balances	<u>206,618</u>	<u>196,180</u>
Bank overdraft	<u>-</u>	<u>(1,257)</u>
9 Creditors	31.12.18	31.12.17
	£	£
Outstanding payable on outstanding purchases	20,301	-
Payable to the ACD	24,915	686
Other accrued expenses	<u>16,773</u>	<u>4,289</u>
Total creditors	<u>61,989</u>	<u>4,975</u>
10 Units held		
Units Held – C Net Income GBP		
Opening units at 01.01.18	1,141,207	
Units issued during the year	4,760,562	
Units cancelled during the year	(690,271)	
Closing units at 31.12.18	5,211,498	
Units Held – C Net Accumulation GBP		
Opening units at 01.01.18	910,784	
Units issued during the year	1,165,420	
Units cancelled during the year	(355,548)	
Closing units at 31.12.18	1,720,656	
Units Held – I Net Income GBP		
Opening units at 01.01.18	1,000,000	
Units issued during the year	-	
Units cancelled during the year	(1,000,000)	
Closing units at 11.04.18	-	

Units Held – I Net Accumulation GBP	
Opening units at 14.12.18	-
Units issued during the year	20,000
Units cancelled during the year	-
Closing units at 31.12.18	20,000

Units Held – C Net Accumulation EUR (Hedged)	
Opening units at 19.02.18	-
Units issued during the year	1,000
Units cancelled during the year	-
Closing units at 31.12.18	1,000

11. Financial instruments

In pursuing its investment objective as stated on page 29, the Fund holds a number of financial instruments. The Fund's financial instruments comprise securities and other investments, currency hedge, cash balances, debtors and creditors that arise directly from its operations, for example, in respect of sales and purchases awaiting settlement, amounts receivable for issues and payable for redemptions and debtors for accrued revenue.

The main risks arising from the Fund's financial instruments, those of its underlying holdings and the ACD's policies for managing these risks are summarised below. These policies have been applied throughout the year.

Market price risk

Market price risk is the risk that the value of the Fund's investment holdings will fluctuate as a result of changes in market prices caused by factors other than interest rate or foreign currency movement. Market price risk arises mainly from uncertainty about future prices of financial instruments the Fund holds. It represents the potential loss the Fund might suffer through holding market positions in the face of price movements.

The Fund's investment portfolio is exposed to market price fluctuations, which are monitored by the ACD in pursuance of the investment objective and policy as set out in the Prospectus.

Adherence to investment guidelines and to investment and borrowing powers set out in the Instrument of Incorporation, the Prospectus and in the rules of the Financial Conduct Authority's Collective Investment Schemes Sourcebook mitigates the risk of excessive exposure to any particular type of security or issuer.

If market prices at the balance sheet date had been 10% higher or lower while all other variables remained constant, the return attributable to ordinary shareholders and equity for the year ended 31.12.18 would have increased/decreased by £652,796 (2017: £278,897).

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Foreign currency risk

Foreign currency risk is the risk that the value of the Fund's investment holdings will fluctuate as a result of changes in foreign currency exchange rates.

Net currency monetary assets and liabilities consist of:

	Net monetary assets and liabilities		Non-monetary assets		Total net assets	
	£		£		£	
	31.12.18	31.12.17	31.12.18	31.12.17	31.12.18	31.12.17
Sterling	257,385	235,370	2,409,043	783,592	2,666,428	1,018,962
US Dollars	14,814	6,583	2,190,834	888,820	2,205,648	895,403
Euro	6,250	2,136	616,218	590,874	622,468	593,010
Canadian Dollars	7,657	1,849	710,297	310,402	717,954	312,251
Swedish Krona	69	-	32,339	14,338	32,408	14,338
Danish Krone	338	-	338,134	75,328	338,472	75,328
New Zealand Dollar	-	-	231,092	125,614	231,092	125,614
Total	286,513	245,938	6,527,957	2,788,968	6,814,470	3,034,906

Interest rate risk

The table below details the interest rate risk profile at the balance sheet date.

31.12.18			
Currency	Floating rate financial assets	Financial assets not carrying interest	Total
	£	£	£
Sterling	206,618	2,576,478	2,783,434
US Dollars	-	2,205,648	2,205,648
Euro	-	622,468	622,468
Canadian Dollars	-	717,954	717,954
Swedish Krona	-	32,408	32,408
Danish Krone	-	338,472	338,134
New Zealand Dollar	-	231,092	231,092
Total	206,618	6,724,520	6,931,138
	Floating rate financial liabilities	Financial liabilities not carrying interest	Total
	£	£	£
Sterling	-	(116,668)	(116,668)
Total	-	(116,668)	(116,668)

31.12.17			
Currency	Floating rate financial assets	Financial assets not carrying interest	Total
	£	£	£
Sterling	196,180	835,990	1,032,170
US Dollars	-	895,403	895,403
Euro	-	593,010	593,010
Canadian Dollars	-	312,251	312,251
Swedish Krona	-	14,338	14,338
Danish Krone	-	75,328	75,328
New Zealand Dollar	-	125,614	125,614
Total	196,180	2,851,934	3,048,114
	Floating rate financial liabilities	Financial liabilities not carrying interest	Total
	£	£	£
Sterling	(1,257)	(11,951)	(13,208)
Total	(1,257)	(11,951)	(13,208)

Interest rate risk is the risk that the value of the Fund's investment holdings will fluctuate as a result of changes in interest rates.

Maturity of financial liabilities

The financial liabilities of the Fund as at 31 December 2018 are payable either within one year or on demand.

Liquidity risk

The Fund's assets comprise mainly of readily realisable securities. The main liability of the Fund is the redemption of any shares that the investors wish to sell. Assets of the Fund may need to be sold if insufficient cash is available to finance such redemptions.

Credit risk

Certain transactions in securities that the Fund enters into expose it to the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the Fund has fulfilled its responsibilities. The Fund only buys and sells investments through brokers which have been approved by the ACD as acceptable counterparties and fund management companies. In addition, limits are set to the exposure to any individual broker that may exist at any time and changes in brokers' financial ratings are reviewed.

Fair value disclosure

The fair value hierarchy is intended to prioritise the inputs that are used to measure the fair value of assets and liabilities. The highest priority is given to quoted prices and the lowest priority to un-observable inputs. The criteria applied to the fair values levels in these financial statements are as follows:

A Fair value based on a quoted price for an identical instrument in an active market.

B Fair value based on the price of a recent transaction for an identical instrument.

C1 Fair value based on a valuation technique using observable market data.

C2 Fair value based on a valuation technique that relies significantly on non-observable market data.

Valuation Technique	Assets (£'000)	Liabilities (£'000)
A Quoted prices for identical instruments in active markets	6,519	-
C1 Valuation technique using observable market data	9	-
Total	6,528	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. Contingent assets and liabilities

At 31 December 2018, the Fund had no contingent liabilities or commitments. (31 December 2017: £nil)

13. Post balance sheet events

As indicated in the accounting policies in Note 1, the investments have been valued at the closing valuation point on 31 December 2018. Since that date, the Fund's quoted mid price has moved as follows for each share class:

Share class	Price (GBP) at 31 December 2018	Price (GBP) at 15 April 2019
Class C Net Income GBP	97.3545	110.0251
Class C Net Accumulation GBP	101.6479	115.9901
Class C Net Accumulation EUR (Hedged)	106.4502	121.0385
Class I Net Accumulation GBP	96.4847	110.1568

14. Portfolio transaction costs

	31.12.18		31.12.17	
	£	£	£	£
Analysis of total purchase costs				
Purchases in the year before transaction costs		5,769,660		2,797,395
Commissions	3,353	0.06%	1,824	0.06%
Taxes	1,609	0.03%	972	0.03%
Levies	9	0.00%	8	0.00%
Total purchase costs	4,971	0.09%	2,804	0.09%
Total purchases including transaction costs		<u>5,774,631</u>		<u>2,800,199</u>
Analysis of total sale costs				
Sales in the year before transaction costs		1,872,925		-
Commissions	(697)	0.04%	-	0.00%
Levies	(4)	0.00%	-	0.00%
Total sale costs	(701)	0.04%	-	0.00%
Total sales net of transaction costs		<u>1,872,224</u>		<u>-</u>

The following represents the total of each type of transaction cost, expressed as a percentage of the Fund's average net asset value in the year:

	2018 £	% of average net asset value	2017 £	% of average net asset value
Commissions	4,050	0.06%	1,824	0.06%
Taxes	1,609	0.02%	972	0.03%
Levies	13	0.00%	8	0.00%
	<u>5,672</u>	<u>0.08%</u>	<u>2,804</u>	<u>0.09%</u>

DISTRIBUTION TABLES

Interim distributions in pence per share for GBP holdings and cent per share for EUR holdings

Group 1: Shares purchased prior to 01 January 2018

Group 2: Shares purchased 01 January 2018 to 31 March 2018

Payment date	Unit type	Share class	Net revenue 2018	Equalisation 2018	Distribution paid / allocated 2018
30.04.18	group 1	C Net Income GBP	0.7689	-	0.7689
30.04.18	group 2	C Net Income GBP	0.5818	0.1871	0.7689
30.04.18	group 1	I Net Income GBP	0.8007	-	0.8007
30.04.18	group 2	I Net Income GBP	0.8007	-	0.8007
30.04.18	group 1	C Net Acc GBP	0.7587	-	0.7587
30.04.18	group 2	C Net Acc GBP	0.4613	0.2974	0.7587
31.07.18	group 1	C Net Acc EUR	0.4330	-	0.4330
31.07.18	group 2	C Net Acc EUR	0.4330	-	0.4330

Interim distributions in pence per share for GBP holdings and cent per share for EUR holdings

Group 1: Shares purchased prior to 01 April 2018

Group 2: Shares purchased 01 April 2018 to 30 June 2018

Payment date	Unit type	Share class	Net revenue 2018	Equalisation 2018	Distribution paid / allocated 2018
31.07.18	group 1	C Net Income GBP	1.0846	-	1.0846
31.07.18	group 2	C Net Income GBP	0.4954	0.5892	1.0846
31.07.18	group 1	C Net Acc GBP	1.0971	-	1.0971
31.07.18	group 2	C Net Acc GBP	0.5335	0.5636	1.0971
31.07.18	group 1	C Net Acc EUR	1.0160	-	1.0160
31.07.18	group 2	C Net Acc EUR	1.0160	-	1.0160

Interim distributions in pence per share for GBP holdings and cent per share for EUR holdings

Group 1: Shares purchased prior to 01 July 2018

Group 2: Shares purchased 01 July 2018 to 30 September 2018

Payment date	Unit type	Share class	Net revenue 2018	Equalisation 2018	Distribution paid / allocated 2018
31.10.18	group 1	C Net Income GBP	1.0014	-	1.0014
31.10.18	group 2	C Net Income GBP	0.6948	0.3066	1.0014
31.10.18	group 1	C Net Acc GBP	1.0251	-	1.0251
31.10.18	group 2	C Net Acc GBP	0.6976	0.3275	1.0251
31.10.18	group 1	C Net Acc EUR	0.9660	-	0.9660
31.10.18	group 2	C Net Acc EUR	0.9660	-	0.9660

DISTRIBUTION TABLES (Continued)

Final distributions in pence per share for GBP holdings and cent per share for EUR holdings

Group 1: Shares purchased prior to 01 October 2018

Group 2: Shares purchased 01 October 2018 to 31 December 2018

Payment date	Unit type	Share class	Net Revenue 2019	Equalisation 2019	Distribution paid / allocated 2019	Distribution paid / allocated 2018
31.01.19	group 1	C Net Income GBP	1.0492	-	1.0492	0.3239
31.01.19	group 2	C Net Income GBP	0.7857	0.2635	1.0492	0.3239
31.01.19	group 1	C Net Acc GBP	1.0837	-	1.0837	0.3220
31.01.19	group 2	C Net Acc GBP	0.6154	0.4683	1.0837	0.3220
31.01.19	group 1	C Net Acc EUR	1.0110	-	1.0110	-
31.01.19	group 2	C Net Acc EUR	1.0110	-	1.0110	-
31.01.19	group 1	I Net Acc GBP	0.2924	-	0.2924	-
31.01.19	group 2	I Net Acc GBP	0.2924	-	0.2924	-
31.01.19	group 1	I Net Income GBP	-	-	-	0.3280
31.01.19	group 2	I Net Income GBP	-	-	-	0.3280

EQUALISATION

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It represents the accrued revenue included in the purchase price of the shares. It is returned with the distribution as a capital repayment. It is not liable to income tax but must be deducted from the cost of the shares for capital gains tax purposes.

Information for corporate shareholders

A corporate shareholder receives the distribution shown on the voucher enclosed with this report as follows:

- i) 100.00% of the total dividend allocation together with the tax credit is received as franked investment income.
- ii) 0.00% of the dividend allocation is received as an annual payment received after deduction of income tax at the lower rate and is liable to corporation tax. It is not franked investment income.

INFORMATION FOR INVESTORS

Distribution

Distributions of the revenue of the Company will be made to shareholders on or before 31 January each year and interim allocations of revenue on or before 30 April, 31 July and 31 October.

Individual shareholders

HM Revenue and Customs changed the taxation of dividends on 6 April 2016. Dividend tax credits were abolished and replaced by a tax-free annual dividend allowance currently standing at £2,000. UK resident shareholders are now subject to new higher rates of tax on dividend income in excess of the annual allowance. The actual rate depends on the individual's tax rate band.

Capital gains tax: Individual shareholders resident in the UK for tax purposes may be liable to capital gains tax on realisation of their shares as with other chargeable assets. However, the first £12,000 (2019/20) of gains each year are presently tax free for individuals. Gains in excess of that amount are charged at the rate of tax applicable to the individual tax payer.

Taxation

The company will pay no corporation tax on its profits for the year ended 31 December 2018 and capital gains within the Company will not be taxed.

Corporate shareholders

Companies resident for tax purposes in the UK which hold shares should note that OEIC distributions are streamed into both franked and unfranked income. The unfranked income element will be treated as an annual payment which has been subject to income tax at prevailing rates and will be liable to tax accordingly. On realisation of their shares, UK resident companies may be liable to pay corporation tax on any capital gains.

The above information on taxation is only a general summary, and shareholders should consult their own tax advisors in relation to their own circumstances. Shareholders should also note that the position as outlined may change to reflect future changes in tax legislation.

Issue and redemption of shares

Valu-Trac Investment Management Limited is the ACD and Registrar. Valu-Trac Investment Management Limited will receive requests for the purchase or sale of shares at any time during normal business hours between 8.30am and 5.30pm. Instructions may be given by email to the below email addresses or by sending an application form to the Registrar. Application forms are available from the Registrar.

For VT Gravis UK Infrastructure Income Fund: UKinfrastructure@valu-trac.com

For VT Gravis Clean Energy Income Fund: cleanenergy@valu-trac.com

The price of shares will be determined by reference to a valuation of the Company's net assets at 12 noon for Clean Energy and 12 noon for Infrastructure on each dealing day.

The ACD has the right to reject, on reasonable grounds relating to the circumstances of the applicant, any application for shares in whole or part, and in this event the ACD will return any money sent, or the balance of such monies, at the risk of the applicant. In addition the ACD may reject any application previously accepted in circumstances where the applicant has paid by cheque and that cheque subsequently fails to be cleared.

Any subscription monies remaining after a whole number of shares has been issued will not be returned to the applicant. Instead, smaller denomination shares will be issued in such circumstances.

A contract note giving details of the shares purchased and the price used will be issued by the Registrar by the end of the business day following the valuation point by reference to which the purchase price is determined. Settlement is due on receipt by the purchaser of the contract note and should be made to the Authorised Corporate Director's dealing account.

Ownership of shares will be evidenced by an entry on the Company's Register of Shareholders. Certificates will not be issued. Statements in respect of periodic distributions of revenue will show the number of shares held by the recipient in respect of which the distribution is made. Individual statements of a shareholder's shares will also be issued at any time on request by the registered holder.

Where shares are redeemed, payment will be made not later than the close of business on the fourth business day following the next valuation point after receipt by the ACD of a request for redemption.

The most recent issue and redemption prices are available from the ACD.

CORPORATE DIRECTORY

Authorised Corporate Director & Registrar	<p>Valu-Trac Investment Management Limited Orton Fochabers Moray IV32 7QE</p> <p>Telephone: 01343 880344 Fax: 01343 880267 E-mail: ukinfrastructure@valu-trac.com (UK Infrastructure) : CleanEnergy@valu-trac.co.uk (Clean Energy)</p> <p>Authorised and regulated by the Financial Conduct Authority Registered in England No 2428648</p>
Investment Adviser	<p>Gravis Advisory Limited 24 Savile Row London W1S 2ES</p>
Depository	<p>NatWest Trustee and Depository Services Limited Drummond House 2nd Floor, 1 Redheughs Avenue Edinburgh EH12 9RH</p> <p>Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority</p>
Auditor	<p>Johnston Carmichael LLP Chartered Accountants Commerce House Elgin IV30 1JE</p>