



VT Gravis UK Infrastructure Income Fund (UKIIF)

ESG Credentials Paper

This paper is an annual report of the Environmental, Social and Governance (ESG) ratings, memberships and reporting standards employed by each underlying holding in the VT Gravis UK Infrastructure Income Fund (UKIIF).

Purpose

- To provide clarity on the level of ESG engagement of the holdings in the UKIIF portfolio.
- This Fund is not explicitly an ESG strategy, however, many of the holdings are improving their approach to investment from an Environmental, Social and Governance perspective. Gravis is seeking to raise awareness of this and therefore the potential suitability of the Fund for an ESG investor.
- Gravis has identified 17 ESG ratings, detailed overleaf, which range in scope from enhanced reporting standards, awards, ratings and membership groups.
- The document is factual in its reporting of the action taken by these companies. Gravis does not offer an opinion or assessment of the status of the holdings.

Methodology

- This document has been compiled using publicly available information, sourced from each company's own published material including Annual Reports and Sustainability Reports. Where necessary, Gravis made direct contact with the investor relations departments to seek additional information. Furthermore, where relevant, information from the websites of the various ESG metric providers may be used.
- In the future Gravis may issue companies in the UKIIF portfolio with a Due Diligence Questionnaire (DDQ) to collect information.
- The metrics chosen for inclusion are those that are most widely embraced, and most relevant to the infrastructure sector and the closed-ended companies which account for the majority of the Fund's holdings. These metrics include holistic ESG standards (such as UN PRI), as well as indicators of more focused awareness of Environmental, Social and Governance accountability.
- In the future, Gravis expect the number of metrics reported upon to decrease as ESG assessment and reporting standardisation increases. Additionally, we expect changing legal reporting requirements to result in further standardisation.

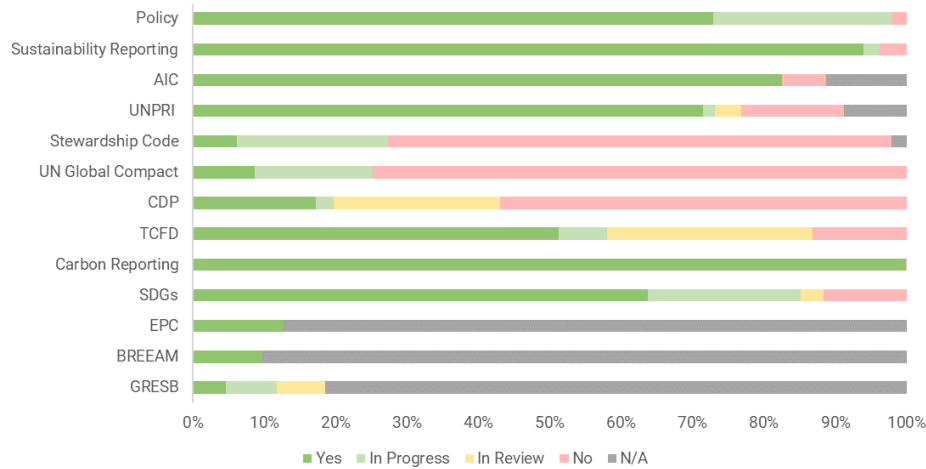
Usage

- This document may be used by the Fund Adviser when speaking to company management of existing and prospective holdings.
- In the case of existing holdings, the Fund Adviser is likely to encourage management to engage with these ESG metrics and may discuss with management their reasoning for not reporting on these.
- When looking at a prospective holding, the Fund Adviser may issue the company with a DDQ. This information may factor into the Fund Adviser's thought process when considering a potential new holding. Lack of engagement will not preclude the Fund Adviser from investing.
- Over time, and through engagement, we expect the document to develop and indicate a greater level of engagement with the various ESG metrics by each holding.

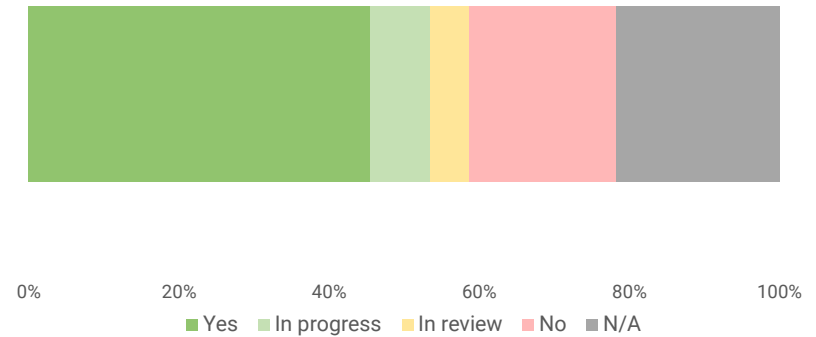
ESG ratings, memberships and reporting standards

Holding	Internal Sustainability Reports and Policy				Organisation Membership & External Standards				Environmental impact			Sustainable Development Goals		External awards				Individual building / project assessment		GRESB Property
	Policy	Policies enacted in operation	Sustainability reporting	Case studies	AIC	UNPRI Member	UK Stewardship Code	UN Global Compact	CDP	TCFD Adherence	Carbon Reporting	SDG's	Explicitly Aligned	FTSE4GOOD	LSE GEM	Guernsey Green Fund	MSCI ESG	EPC >50% A-C	BREEAM	
Equity 1	Yes	Yes	Yes	No	Yes	Yes	No	No	No	Yes	Yes	No		No	No	No	No	N/A	N/A	N/A
Equity 2	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	Yes	Yes	7, 9, 13		No	Yes	Yes	No	N/A	N/A	N/A
Equity 3	In progress	In progress	Yes	Yes	Yes	Yes	In progress	In progress	In review	In review	Yes	In progress		No	No	N/A	No	N/A	N/A	N/A
Equity 4	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	Yes	Yes	1, 3, 7, 8, 9, 10, 13, 15		No	Yes	No	No	N/A	N/A	N/A
Equity 5	In progress	In progress	Yes	Yes	Yes	Yes	In progress	In progress	In review	In review	Yes	In progress		No	No	N/A	No	N/A	N/A	N/A
Equity 6	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	Yes	Yes	1, 3, 6, 7, 8, 9, 11, 12, 13, 15		No	Yes	Yes	No	N/A	N/A	N/A
Equity 7	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	Yes	Yes	9, 11		No	No	N/A	No	N/A	N/A	N/A
Equity 8	In progress	No	Yes	Yes	Yes	Yes	In progress	No	No	In review	Yes	7		No	Yes	Yes	No	N/A	N/A	N/A
Equity 9	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	In review	Yes	1, 3, 7, 8, 9, 10, 13, 15		No	Yes	N/A	No	N/A	N/A	N/A
REIT 10	Yes	Not clear	Yes	Yes	No	No	No	No	Yes	No	Yes	3, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15		No	No	N/A	No	Yes	Yes	In progress
Equity 11	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	In progress	Yes	13, 9		No	No	N/A	No	N/A	N/A	N/A
REIT 12	In progress	No	No	No	Yes	In review	Yes	No	In review	No	Yes	In progress		No	No	N/A	No	N/A	N/A	In review
Equity 13	Yes	Yes	Yes	Yes	N/A	N/A	No	Yes	Yes	Yes	Yes	3,4,5,7,8,12,13,15		No	No	N/A	Yes	N/A	N/A	N/A
Equity 14	Yes	Yes	Yes	Yes	N/A	N/A	No	No	Yes	Yes	Yes	1, 3, 5, 6, 7, 8, 9, 11, 12, 13, 14, 15, 17		Yes	No	N/A	No	N/A	N/A	N/A
Equity 15	Yes	Yes	Yes	Yes	N/A	N/A	No	Yes	Yes	Yes	Yes	4, 5, 8, 9, 13		No	No	N/A	Yes	N/A	N/A	N/A
REIT 16	Yes	Yes	Yes	No	Yes	No	No	No	In review	In review	Yes	In review		No	No	N/A	No	Yes	Yes	In review
REIT 17	In progress	In progress	Yes	Yes	Yes	Yes	In progress	In progress	In review	In review	Yes	In progress		No	No	N/A	No	Yes	Yes	In progress
Equity 18	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	3,7,8,9,11,12,13,16		Yes	No	N/A	Yes	N/A	N/A	N/A
REIT 19	Yes	Yes	Yes	Yes	Yes	No	No	No	In progress	In progress	Yes	8, 11, 13, 15		No	No	N/A	Yes	Yes	Yes	Yes
Equity 20	Yes	Yes	In progress	No	Yes	Yes	No	No	No	No	Yes			No	Yes	N/A	No	N/A	N/A	N/A
REIT 21	No	No	Yes	No	Yes	No	N/A	No	No	No	Yes			No	No	N/A	No	N/A	N/A	N/A
Bond 22	Yes	Yes	Yes	Yes	N/A	No	No	No	No	Yes	Yes	6,7,12,13		No	No	N/A	N/A	N/A	N/A	Yes
Equity 23	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	7,9,11,13		No	Yes	N/A	No	N/A	N/A	N/A
Equity 24	Yes	No	Yes	Yes	No	In progress	No	No	Yes	Yes	Yes			No	No	N/A	No	N/A	N/A	N/A
Equity 25	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	No	No	Yes	3, 7, 9, 11, 13		No	No	N/A	No	N/A	N/A	N/A
Bond 26	Yes	Yes	Yes	Yes	N/A	No	No	No	No	In progress	Yes			No	No	N/A	N/A	N/A	N/A	N/A
Bond 27	Yes	N/A	Yes	N/A	N/A	N/A	No	Not clear	Not clear	Not clear	Not clear	Not clear		No	No	N/A	N/A	N/A	N/A	N/A

Weighted response per ESG metric



Portfolio weight by response



Data as at end of July 2020. Holdings ranked by size. Graphics show proportion of 'Yes', 'No', 'In progress', 'In review', 'No' and 'N/A' by holding weight.

Key Terms



The AIC (Association of Investment Companies) The AIC is the trade body for closed-ended investment companies. The association represents a broad range of closed-ended investment companies, incorporating investment trusts, offshore investment companies, REITs and Venture Capital Trusts (VCTs). We help our member companies deliver better returns for their investors in several ways: lobbying generating interest in investment companies, technical advice and guidance, events and training, statistics, and online presence.



The PRI (Principles for Responsible Investment) is the world's leading proponent of responsible investment. It works: to understand the investment implications of environmental, social and governance (ESG) factors; to support its international network of investor signatories in incorporating these factors into their investment and ownership decisions.



The UK Stewardship Code sets high stewardship standards for asset owners and asset managers, and for service providers that support them. Stewardship is the responsible allocation, management and oversight of capital to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.



The UN Global Compact aims to mobilize a global movement of sustainable companies and stakeholders to create the world we want. To make this happen, the UN Global Compact supports companies to: Do business responsibly by aligning their strategies and operations with Ten Principles on human rights, labour, environment and anti-corruption; and take strategic actions to advance broader societal goals, such as the UN Sustainable Development Goals, with an emphasis on collaboration and innovation.



CDP (formerly known as the Carbon Disclosure Project) is a not-for-profit charity that runs the global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts.



TCFD (Task Force on Climate-Related Financial Disclosures) is a voluntary organisation which aims to develop consistent climate-related financial risk disclosures. The Task Force will consider the physical, liability and transition risks associated with climate change and what constitutes effective financial disclosures across industries.



Some companies explicitly align themselves with the UN SDGs (Sustainable Development Goals). <https://www.un.org/sustainabledevelopment/sustainable-development-goals/>



FTSE4Good

The FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. Transparent management and clearly-defined ESG criteria make FTSE4Good indexes suitable tools to be used by a wide variety of market participants when creating or assessing sustainable investment products.



LSE GEM (London Stock Exchange Green Economy Mark), first introduced in 2019, highlights companies and investment funds listed on all segments of London Stock Exchange's Main Market and AIM that are driving the global green economy. To qualify for the Green Economy Mark, companies and funds must generate 50% or more of their total annual revenues from green activities.



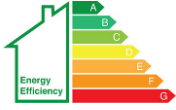
The Guernsey Green Fund designation, provided through compliance with the Guernsey Green Fund Rules, represents a scheme that meets strict eligibility criteria of green investing and has the objective of a net positive outcome on the planet's environment.



MSCI ESG Ratings aim to measure a company's resilience to long-term, financially relevant ESG risks. They leverage artificial intelligence (AI) and alternative data to deliver dynamic investment-relevant insights to power your investment decisions



BREEAM (Building Research Establishment Environmental Assessment Method) is the world's leading sustainability assessment method for masterplanning projects, infrastructure and buildings. It recognises and reflects the value in higher performing assets across the built environment lifecycle, from new construction to in-use and refurbishment. BREEAM does this through third party certification of the assessment of an asset's environmental, social and economic sustainability performance, using standards developed by BRE.



An EPC (Energy Performance Certificate) is required for properties when constructed, sold or let. The MEES (Minimum Energy Efficiency Standard) restricts buildings with a rating of lower than E from being leased or released. The Government's preferred trajectory is that all commercial rented buildings achieve a MEES of EPC B by 2030.



GRESB assesses and benchmarks the Environmental, Social and Governance (ESG) performance of real assets, providing standardized and validated data to the capital markets.