

VT GRAVIS REAL ASSETS ICVC
(Sub-fund VT Gravis UK Listed Property (PAIF) Fund)

Annual Report and Financial Statements
For the period 01 December 2020 to 31 December 2021

CONTENTS

| | Page |
|--|----------------|
| Company Overview | 1 |
| Statement of the Authorised Corporate Director's (ACD's) Responsibilities | 3 |
| Statement of the Depositary's Responsibilities and Report of the Depositary | 4 |
| Independent Auditor's Report to the Shareholders of VT Gravis Real Assets ICVC (Sub-fund VT Gravis UK Listed Property (PAIF) Fund) | 5 |
| Investment Adviser's Review | 8 |
| Performance Record | 10 |
| Portfolio Statement | 14 |
| Summary of Material Portfolio Changes | 15 |
| Statement of Total Return | 16 |
| Statement of Changes in Net Assets Attributable to Shareholders | 16 |
| Balance Sheet | 17 |
| Notes to the Financial Statements | 18 |
| Distribution Tables | 26 |
| Information for Investors | 29 |
| Corporate Directory | 31 |
| | End subsection |
| Assessment of value (unaudited) | 1-6 |

COMPANY OVERVIEW

| | |
|--|--|
| Size of Company | £79,915,790 |
| Launch date | 31 October 2019 |
| Type of Company | <p>VT Gravis Real Assets ICVC (the "Company") is an investment company with variable capital incorporated in England and Wales under the OEIC Regulations with registered number IC016070 and authorised by the Financial Conduct Authority (PRN:913626) pursuant to an authorisation order dated 17 September 2019. The Company has an unlimited duration. The Company has one Sub-fund - VT Gravis UK Listed Property (PAIF) Fund.</p> <p>The Company is a non-UCITS retail scheme and is an umbrella company (as defined in the OEIC Regulations). Each Sub-fund would be a non-UCITS retail scheme if it had a separate authorisation order. The Company has Property Authorised Investment Sub-fund (PAIF) status as defined in Part 4A of the Tax Regulations and the Glossary to the FCA Handbook.</p> <p>Shareholders are not liable for the debts of the Company.</p> <p>A shareholder is not liable to make any further payment to the Company after he has paid the price on purchase of the shares.</p> |
| Sub-fund objective and policy | <p>It is intended that the Sub-fund will be a PAIF at all times, and, as such, its investment objective is to carry on Property Investment Business and to manage cash raised from investors for investment in the Property Investment Business. In so doing the objective of the Sub-fund is to provide some capital growth through market cycles (7 years) whilst delivering a periodic income.</p> <p>The Sub-fund seeks to achieve its objective primarily (70% +) by investing in a diversified portfolio of transferable real estate securities such as real estate investment trusts ("REITs") listed on the London Stock Exchange, real estate operating companies ("REOCs"), bonds and equities. The Sub-fund seeks to minimise exposure to the retail property sector.</p> <p>In addition to investing in REITs and REOCs the Sub-fund may also invest in other transferable securities (including convertible securities and rated and unrated debt securities of real estate companies), bonds, collective investment schemes, transferable securities, money market instruments, deposits, cash and near cash.</p> <p>Save as noted above, there is no particular emphasis on any geographical area or industry or economic sector.</p> |
| Derivatives | The Sub-fund may hold derivatives only for efficient portfolio management purposes. It is not intended that the use of derivatives for efficient portfolio management purposes will increase the risk profile of the Sub-fund. |
| Benchmark | The Sub-fund does not have a specific benchmark. The performance of the Sub-fund can be measured by considering whether the objective is achieved (i.e. whether a periodic income is provided and there is any capital growth over a market cycle of 7 years). |
| 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. |
| Share classes: | <p>A (£), A (€) (Hedged), A (\$) (Hedged) – Net Income A (£), A (€) (Hedged), A (\$) (Hedged) – Net Accumulation F (£), F (€) (Hedged), F (\$) (Hedged) – Net Income F (£), F (€) (Hedged), F (\$) (Hedged) – Net Accumulation</p> <p>Class F shares are only available to the Feeder Fund or at the ACD's discretion.</p> |

COMPANY OVERVIEW (continued)

Minimum investment

| | |
|---------------------------|--|
| Lump sum subscription: | Class A = £100 Class F = Nil |
| Top-up: | Class A = £100 Class F = Nil |
| Holding: | Class A = £100 Class F = Nil |
| Redemption and switching: | N/A (provided minimum holding is maintained) |

Investment minima may be waived at the discretion of the ACD.

Initial charges

Class A: 4% Class F: 0%

The initial charge may be waived at the discretion of the ACD.

Redemption and switching charges

Nil

Annual management charges

The annual management charge is as follows:

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

In respect of the Class F shares it is equal to 0.00% per annum of the net asset value of the Class F shares.

The Investment Adviser has, with the agreement of the ACD, undertaken that if the total Ongoing charges figure (OCF) of the Sub-fund excluding the costs of the underlying holdings exceeds 0.70%, the Investment Adviser 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 annual management charge for each class in the relevant accounting period.

Changes to Sub-fund

On 24 June 2021 the accounting periods were extended with the year end changed from 30 November to 31 December and the interim period changing from 31 May to 30 June. The ex-distribution dates changed to that above.

On 24 June 2021 the Sub-fund changed its dilution policy introducing a dilution adjustment to the share price. Further details are set out in the Prospectus.

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

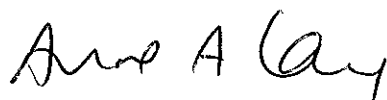
The rules of the Financial Conduct Authority's Collective Investment Schemes Sourcebook require the Authorised Corporate Director to prepare financial statements for each accounting period which give a true and fair view of the financial position of the Company at the end of the financial period and its net revenue and net capital gains for the period. 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;

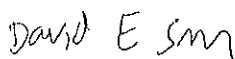
The Authorised Corporate Director is required to keep proper accounting records and to manage the Company in accordance with the COLL Sourcebook, Investment Funds Sourcebook (FUND), the Instrument of Incorporation, and the Prospectus. The Authorised Corporate Director is responsible for taking reasonable 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 and FUND, we hereby certify the annual report.



Anne A. Laing CA



David E. Smith CA

Valu-Trac Investment Management Limited
Authorised Corporate Director

Date 29 APR 2022

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 Investment Funds 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"), 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 Alternative Investment Fund Manager ("the AIFM") 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 AIFM:

- 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
01 January 2022

Opinion

We have audited the financial statements of VT Gravis Real Assets ICVC ("the Company") for the period ended 31 December 2021 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, including significant accounting policies 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 2021 and of the net revenue and the net capital gains on the scheme property of the Company for the period 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

In auditing the financial statements, we have concluded that the Authorised Corporate Director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Authorised Corporate Director with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Authorised Corporate Director is responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

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 Authorised Corporate Director for the period 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 3, 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 Authorised Corporate Director 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 Authorised Corporate Director 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 Authorised Corporate Director 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.

Extent to which the audit is considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud, is detailed below.

We assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations by considering their experience, past performance and support available.

All engagement team members were briefed on relevant identified laws and regulations and potential fraud risks at the planning stage of the audit. Engagement team members were reminded to remain alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The most relevant frameworks we identified include:

- > UK Generally Accepted Accounting Practice including Financial Reporting Standard 102 and the IA Statement of Recommended Practice for Authorised Funds
- > the Financial Conduct Authority's Collective Investment Schemes Sourcebook
- > the Financial Conduct Authority's Investment Funds Sourcebook
- > the Company's Prospectus

We gained an understanding of how the Company is complying with these laws and regulations by making enquiries of the Authorised Corporate Director. We corroborated these enquiries through our review of any relevant correspondence with regulatory bodies and the Company's breaches register.

We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur, by meeting with management to understand where it was considered there was susceptibility to fraud. This evaluation also considered how the Authorised Corporate Director was remunerated and whether this provided an incentive for fraudulent activity. We considered the overall control environment and how the Authorised Corporate Director oversees the implementation and operation of controls. In areas of the financial statements where the risks were considered to be higher, we performed procedures to address each identified risk.

The following procedures were performed to provide reasonable assurance that the financial statements were free of material fraud or error:

- > Performing audit work procedures over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business, review of a pre sign-off Net Asset Valuation (NAV) statement for any unexpected activity and reviewing judgements made by the Authorised Corporate Director in its calculation of accounting estimates for potential management bias; and
- > Assessing the Company's compliance with the key requirements of the Collective Investment Schemes Sourcebook, Investment Funds Sourcebook and its Prospectus.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

Extent to which the audit is considered capable of detecting irregularities, including fraud (continued)

Our audit procedures were designed to respond to the risk of material misstatements in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve intentional concealment, forgery, collusion, omission or misrepresentation. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

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 to them 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 29 April 2022

INVESTMENT ADVISER'S REVIEW

This report is a review of the performance of the VT Gravis UK Listed Property (PAIF) Fund (the "Fund") during the period from 1 December 2020 to 31 December 2021.

The performance objectives of the Fund are:

- to deliver a 4% annual income, via quarterly dividend payments; and
- to provide some capital growth through market cycles (approximately 7 years) after Fund charges

The Fund seeks to achieve its objective primarily by investing in a portfolio of transferable real estate securities such as real estate investment trusts (REITs) listed on the London Stock Exchange, real estate operating companies, bonds and other equities. The Fund diversifies its investments across a range of specialist real estate companies that are likely to benefit from four strong socio-economic mega trends: digitalisation (51.5% portfolio weight), generation rent (20.7% portfolio weight), ageing population (18.7% portfolio weight) and urbanisation (6.3% portfolio weight). At the same time the portfolio minimises exposure to the challenging consumer trends continuing to affect retail real estate, especially shopping centres.

The A Accumulation Class shares were priced at 132.19p on 31 December 2021, which represents a total return of 32.66% over the period. The Fund performance compares similar to the UK real estate index¹ which rose by 33.17% over the same period, and favourably to the global real estate index² which increased by 29.25%. Continuing commitment to the investment strategy has been crucial to growing capital during the periods of coronavirus related market turbulence experienced in 2021, delivering reliable income, and to outperforming the broader UK listed property market.

The Investment Adviser undertakes fundamental research to identify the most attractive investment opportunities within each mega trend. This combination of top-down analysis of socio-economic mega trends together with bottom-up fundamental research has yielded very good results. Since launch the Fund has increased by 32.19% (A Acc GBP), outperforming both the UK real estate index¹, which has increased by 14.71%, and the global real estate index² which has increased by 10.54%. Since inception the Fund has returned 13.72% (A Acc GBP) on an annualised basis.

To maintain their general tax-exempt status, UK REITs are required to distribute 90% of rental profits. Over the course of the year, the Fund declared five distributions totalling 3.5129p (A Inc GBP). In aggregate, the trailing 12-month distributions represent a yield of 2.68% and, on a comparable calendar year basis, this represents just over 10% growth year-on-year. Although the yield falls short of the target it is more than offset by the price appreciation of the underlying investments.

The Investment Adviser implements a long-term unconstrained approach to identifying the best REITs within secular mega trends. At the end of the year the Fund was comprised of 23 investments, up from 22 at the end of 2020. These 23 specialist real estate companies provide diversified exposure to the four mega trends and in aggregate they own more than 5,000 individual properties that are leased to more than 100,000 individual tenants.

In terms of exposure, the largest proportion of capital remains deployed in the digitalisation mega trend, followed by generation rent. Investment parameters cap any single position size at 9.5%, as at the end of December the largest position was Segro, a leading owner and developer of modern warehousing across the UK and continental Europe, representing 9.0% of the Fund. Segro delivered 55.07% total return during the period. The second largest position, representing 7.7% of the Fund, was Tritax Big Box, a leading owner and developer of big box logistics assets around the UK, producing 53.13% total return.

The Investment Adviser's focused approach to investing tends to yield the beneficial result of low portfolio turnover even in times of pandemic-induced uncertainty. The Adviser believes that a properly constructed portfolio will perform throughout market cycles and that excessive levels of portfolio turnover detract from performance. During the period under review, portfolio turnover remained low at 9.68%.

The liquid and transparent nature of owning property via listed companies can also make them targets for asset gathering predators. In July, GCP Student Living found itself the target of a board approved bid from Blackstone, one of the largest global investors in real estate. It is the second time since inception that Blackstone has bid for a Fund holding. GCP Student Living owned a collection of purpose-built student accommodation assets and sat within the generation rent mega trend. While the Investment Adviser would have preferred to own these assets for the long-term, Blackstone paid a premium of 9.3% to the last reported EPRA NAV per share. This premium can be viewed as supporting the rationale for the Fund's focus on investing in REITs that own high-quality assets in the best locations.

INVESTMENT ADVISER'S REVIEW (Continued)

Over the course of the year four new investment positions were initiated. In the first quarter, Tritax Eurobox (2.67% portfolio weight), the UK listed owner of a well-diversified portfolio of prime Continental European logistics real estate assets, was introduced to the portfolio within the digitalisation mega trend. In the second quarter, the Fund initiated a position in Watkin Jones (portfolio weight 2.96%), the UK's leading developer and manager of 'residential for rent' with a focus on residential the 'build-to-rent' and 'purpose-built student accommodation' sub-sectors. In the third quarter, the Fund began to invest in PRS REIT (portfolio weight 2.65%), the first UK quoted REIT to focus on high-quality, new-build family homes for the private rental market. And finally, in the fourth quarter, the Fund participated in the IPO of Life Science REIT (portfolio weight 2.53%), the first London-listed specialist REIT focused on UK life science properties. The REIT is targeting a net asset value total return in excess of 10% per annum and an initial dividend yield of 4% per annum, with an intention to grow to 5% in the early years.

During the first half of 2021 the Investment Adviser pivoted the Fund out of Great Portland Estates and redeployed the capital elsewhere within the urbanisation mega trend. The Fund also exited Secure Income REIT with the proceeds being redeployed elsewhere within long-income assets.

Overarching the four investment mega trends is climate change, arguably the biggest long-term challenge facing humanity, and one that is becoming increasingly important in determining the investment prospects for real estate assets. With the built environment contributing approximately 40% of the UK's carbon footprint, REITs are increasingly demonstrating their commitment and expertise towards making a meaningful contribution to reducing this environmental impact.

It is likely that over the course of the coming year there will be an increasing focus on how the built environment contributes to climate change. This is likely to result in a bifurcation in investment returns with the greenest buildings viewed as the most prime investments.

One of the Investment Adviser's preferred measures of environmental performance is the Energy Performance Certificate (EPC). Mandated by the Government, EPC certificates rate properties on a scale running from A+ to G. These certificates have increasingly important investment implications for commercial real estate. The government has set a target of reaching a minimum B rating for commercial properties by 2030 – an ambitious target considering c.62%³ of commercial real estate is currently rated lower than C. As a result, lower rated properties not only represent a potential risk to the environment, but also increasingly, an investment risk with potentially lower occupancy levels and higher maintenance capex. Simply put, the obsolescence risk of older buildings is likely to increase.

The Fund remains positioned on the right side of climate change. Since inception, the Fund has actively taken steps to minimise obsolescence risk by investing in companies that typically own higher EPC rated assets or have a clear strategy to improve the overall EPC rating of their portfolios. Based upon proprietary research the Adviser estimates that over 49% of the portfolio is rated B or higher, far better than the 11% for the overall market⁴.

For 2022 the Investment Adviser expects continuing strong occupational demand for modern rental accommodation, self-storage, and urban logistics assets to lead to further dividend growth in the year ahead.

In summary, the Investment Adviser believes that the portfolio continues to be very well positioned to capture the continuing growth of specialist real estate companies generating reliable income, managed by dedicated and focused experts.

Gravis Advisory Limited
Investment Adviser to the Fund
20 January 2022

¹ MSCI UK IMI Core Real Estate Net Total Return Local index.

² MSCI World Real Estate Net Total Return Local index.

³ Non-domestic buildings issued with an EPC rating up until the end of 2020, Ministry of Housing Communities and Local Government.

⁴ company data, Gravis Advisory Limited estimates, and Ministry of Housing Communities and Local Government

PERFORMANCE RECORD

Financial Highlights

| | Period from 01.12.2020 to 31.12.2021 | Period from 31.10.2019 to 30.11.2020+ |
|-------------------------------------|--|---|
| Class A Net Income GBP | | |
| Changes in net assets per unit | GBP | GBP |
| Opening net asset value per unit | 96.3837 | 100.0000 |
| Return before operating charges | 32.4078 | 0.3340 |
| Operating charges (note 1) | (1.3485) | (0.7446) |
| Return after operating charges* | 31.0593 | (0.4106) |
| Distributions on income shares | (3.5129) | (3.2057) |
| Closing net asset value per unit | 123.9301 | 96.3837 |
| | | |
| *after direct transaction costs of: | 0.3092 | 0.5418 |
| Performance | | |
| Return after charges | 32.22% | (0.41%) |
| Other information | | |
| Closing net asset value | £15,030,241 | £4,172,294 |
| Closing number of units | 12,128,002 | 4,328,838 |
| Closing dilution adjustment | 0.00% | 0.00% |
| Operating charges (note 2) | 1.13% | 0.70% |
| Direct transaction costs | 0.28% | 0.55% |
| Prices | | |
| Highest unit price | 124.3066 | 111.7598 |
| Lowest unit price | 93.8954 | 66.9327 |

+Share class launched 31 October 2019

| | Period from 01.12.2020 to 31.12.2021 | Period from 31.10.2019 to 30.11.2020+ |
|---|--|---|
| Class A Net Accumulation GBP | | |
| Changes in net assets per unit | GBP | GBP |
| Opening net asset value per unit | 99.6450 | 100.0000 |
| Return before operating charges | 33.9605 | 0.4020 |
| Operating charges (note 1) | (1.4190) | (0.7570) |
| Return after operating charges* | 32.5415 | (0.3550) |
| | | |
| Closing net asset value per unit | 132.1865 | 99.6450 |
| Retained distributions on accumulated units | 3.6787 | 3.2462 |
| *after direct transaction costs of: | 0.3253 | 0.5508 |
| Performance | | |
| Return after charges | 32.66% | (0.36%) |
| Other information | | |
| Closing net asset value | £25,591,058 | £5,667,700 |
| Closing number of units | 19,359,817 | 5,687,892 |
| Closing dilution adjustment | 0.00% | 0.00% |
| Operating charges (note 2) | 1.13% | 0.70% |
| Direct transaction costs | 0.28% | 0.55% |
| Prices | | |
| Highest unit price | 132.1865 | 111.9296 |
| Lowest unit price | 97.0725 | 67.4498 |

+Share class launched 31 October 2019

PERFORMANCE RECORD (Continued)

Financial Highlights (Continued)

| | Period from 01.12.2020 to 31.12.2021 | Period from 31.10.2019 to 30.11.2020* |
|-------------------------------------|---|--|
| Class F Net Income GBP | | |
| Changes in net assets per unit | GBP | GBP |
| Opening net asset value per unit | 97.1395 | 100.0000 |
| Return before operating charges | 32.7058 | 0.3580 |
| Operating charges (note 1) | (0.5192) | - |
| Return after operating charges* | 32.1866 | 0.3580 |
| Distributions on income shares | (3.5527) | (3.2185) |
| Closing net asset value per unit | 125.7734 | 97.1395 |
| | | |
| *after direct transaction costs of: | 0.3128 | 0.5438 |
| | | |
| Performance | | |
| Return after charges | 33.13% | 0.36% |
| | | |
| Other information | | |
| Closing net asset value | £5,610,131 | £3,571,264 |
| Closing number of units | 4,460,505 | 3,676,427 |
| Closing dilution adjustment | 0.00% | 0.00% |
| Operating charges (note 2) | 0.43% | 0.00% |
| Direct transaction costs | 0.28% | 0.55% |
| | | |
| Prices | | |
| Highest unit price | 126.1526 | 111.9974 |
| Lowest unit price | 94.6699 | 67.0979 |

^Share class launched 31 October 2019

| | Period from 01.12.2020 to 31.12.2021 | Period from 31.10.2019 to 30.11.2020* |
|---|---|--|
| Class F Net Accumulation GBP | | |
| Changes in net assets per unit | GBP | GBP |
| Opening net asset value per unit | 100.3974 | 100.0000 |
| Return before operating charges | 34.3296 | 0.3974 |
| Operating charges (note 1) | (0.5464) | - |
| Return after operating charges* | 33.7832 | 0.3974 |
| | | |
| Closing net asset value per unit | 134.1806 | 100.3974 |
| Retained distributions on accumulated units | 3.7204 | 3.2586 |
| | | |
| *after direct transaction costs of: | 0.3292 | 0.5528 |
| | | |
| Performance | | |
| Return after charges | 33.65% | 0.40% |
| | | |
| Other information | | |
| Closing net asset value | £33,491,038 | £17,083,389 |
| Closing number of units | 24,959,675 | 17,015,767 |
| Closing dilution adjustment | 0.00% | 0.00% |
| Operating charges (note 2) | 0.43% | 0.00% |
| Direct transaction costs | 0.28% | 0.55% |
| | | |
| Prices | | |
| Highest unit price | 134.1806 | 112.1673 |
| Lowest unit price | 97.8450 | 67.6323 |

^Share class launched 31 October 2019

PERFORMANCE RECORD (Continued)**Financial Highlights (Continued)**

| | Period from 01.12.2020 to 31.12.2021 | Period from 02.04.20 to 30.11.20* |
|--|---|--|
| Class F Net Accumulation EUR (Hedged) | | |
| Changes in net assets per unit | EURc | EURc |
| Opening net asset value per unit | 117.1391 | 100.0000 |
| Return before operating charges | 39.2729 | 17.1391 |
| Operating charges (note 1) | (0.6357) | - |
| Return after operating charges* | 38.6372 | 17.1391 |
| Closing net asset value per unit | 155.7763 | 117.1391 |
| Retained distributions on accumulated units | 3.7289 | 2.0703 |
| *after direct transaction costs of: | 0.3830 | 0.5990 |
| Performance | | |
| Return after charges | 32.98% | 17.14% |
| Other information | | |
| Closing net asset value | €84,776 | €63,749 |
| Closing number of units | 54,422 | 54,422 |
| Closing dilution adjustment | 0.00% | 0.00% |
| Operating charges (note 2) | 0.43% | 0.00% |
| Direct transaction costs | 0.28% | 0.55% |
| Prices | | |
| Highest unit price | 155.7763 | 120.7009 |
| Lowest unit price | 114.2731 | 97.6013 |

*Share class launched 2 April 2020

| | Period from 01.12.2020 to 31.12.2021 | Period from 02.04.20 to 30.11.20* |
|--|---|--|
| Class F Net Accumulation USD (Hedged) | | |
| Changes in net assets per unit | USDc | USDc |
| Opening net asset value per unit | 117.5009 | 100.0000 |
| Return before operating charges | 41.0438 | 17.5009 |
| Operating charges (note 1) | (0.6415) | - |
| Return after operating charges* | 40.4023 | 17.5009 |
| Closing net asset value per unit | 157.9032 | 117.5009 |
| Retained distributions on accumulated units | 3.0912 | 1.7929 |
| *after direct transaction costs of: | 0.3865 | 0.6000 |
| Performance | | |
| Return after charges | 34.38% | 17.50% |
| Other information | | |
| Closing net asset value | \$333,261 | \$45,900 |
| Closing number of units | 211,054 | 39,064 |
| Closing dilution adjustment | 0.00% | 0.00% |
| Operating charges (note 2) | 0.43% | 0.00% |
| Direct transaction costs | 0.28% | 0.55% |
| Prices | | |
| Highest unit price | 157.9032 | 121.0860 |
| Lowest unit price | 114.7833 | 96.5436 |

*Share class launched 2 April 2020

PERFORMANCE RECORD (Continued)

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 Sub-fund plus the costs of the underlying holdings. Note the 2020 operating charges percentage excludes the underlying costs of investment trust funds which are included in the 2021 operating charges following the latest IA guidance issued in 2020.

Risk Profile

Based on past data, the Sub-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 Sub-fund is ranked 5 because monthly historical performance data indicates that relatively high rises and falls in market prices would have occurred historically.

PORTFOLIO STATEMENT

As at 31 December 2021

| Holding | | Value £ | % of net assets |
|-----------|--|-------------------|-----------------|
| | EQUITIES (30.11.2020: 98.74%) | | |
| 7,271,400 | Assura PLC | 5,075,437 | 6.35 |
| 261,520 | Big Yellow Group PLC | 4,469,377 | 5.59 |
| 40,950 | Derwent London PLC | 1,395,576 | 1.75 |
| 1,453,300 | Grainger PLC | 4,580,802 | 5.73 |
| 355,800 | Helical PLC | 1,618,890 | 2.03 |
| 1,632,610 | Impact Healthcare REIT PLC | 1,946,071 | 2.44 |
| 1,243,813 | Industrials REIT Limited | 2,475,188 | 3.10 |
| 2,000,000 | Life Science REIT PLC | 2,025,000 | 2.53 |
| 1,774,245 | Londonmetric Property PLC | 5,037,082 | 6.30 |
| 376,000 | LXi REIT PLC | 544,824 | 0.68 |
| 12,985 | Mountview Estates PLC | 1,863,348 | 2.33 |
| 2,382,300 | Primary Health Properties PLC | 3,602,038 | 4.51 |
| 1,930,385 | PRS REIT PLC | 2,118,598 | 2.65 |
| 335,445 | Safestore Holdings PLC | 4,734,806 | 5.92 |
| 500,625 | SEGRO PLC | 7,158,938 | 8.96 |
| 1,993,019 | Target Healthcare REIT Ltd | 2,351,762 | 2.94 |
| 2,457,415 | Tritax Big Box REIT PLC | 6,121,421 | 7.66 |
| 1,828,100 | Tritax EuroBox PLC | 2,129,737 | 2.66 |
| 512,850 | Unite Group PLC | 5,672,121 | 7.10 |
| 2,987,960 | Urban Logistics REIT PLC | 5,557,606 | 6.95 |
| 1,980,604 | Warehouse REIT PLC | 3,517,553 | 4.40 |
| 894,921 | Watkin Jones PLC | 2,362,591 | 2.96 |
| 245,000 | Workspace Group PLC | 1,999,200 | 2.50 |
| | | 78,357,966 | 98.04 |
| | Currency hedges (30.11.2020: 0.00%) | 557 | - |
| | Portfolio of investments (30.11.2020: 98.74%) | 78,358,523 | 98.04 |
| | Net other assets (30.11.2020: 1.47%) | 1,682,443 | 2.12 |
| | Adjustment to revalue assets from mid to bid prices (30.11.2020: (0.21%)) | (125,176) | (0.16) |
| | | 79,915,790 | 100.00 |

SUMMARY OF MATERIAL PORTFOLIO CHANGES

| | £ |
|---|------------------|
| Total sales for the period (note 14) | 7,744,609 |
| Derwent London PLC | 403,638 |
| GCP Student Living PLC | 3,084,156 |
| Great Portland Estates PLC | 690,007 |
| Helical PLC | 406,062 |
| LXi REIT PLC | 1,215,955 |
| Secure Income REIT PLC | 733,963 |
| Tritax EuroBox PLC | 407,662 |
| Workspace Group PLC | 803,166 |

| | £ |
|---|-------------------|
| Total purchases for the period (note 14) | 41,853,698 |
| Assura PLC | 3,057,391 |
| Big Yellow Group PLC | 1,616,704 |
| Derwent London PLC | 1,017,024 |
| GCP Student Living PLC | 469,176 |
| Grainger PLC | 1,839,693 |
| Helical PLC | 968,010 |
| Impact Healthcare REIT PLC | 979,083 |
| Industrials REIT Limited | 185,932 |
| Life Science REIT PLC | 2,000,000 |
| Londonmetric Property PLC | 2,839,533 |
| LXi REIT PLC | 910,439 |
| Mountview Estates PLC | 973,873 |
| Primary Health Properties PLC | 2,134,310 |
| PRS REIT PLC | 1,980,584 |
| Safestore Holdings PLC | 1,209,090 |
| SEGRO PLC | 2,297,301 |
| Stenprop Ltd | 771,414 |
| Target Healthcare REIT Ltd | 1,548,331 |
| Tritax Big Box REIT PLC | 2,034,819 |
| Tritax EuroBox PLC | 2,365,590 |
| Unite Group PLC | 3,205,754 |
| Urban Logistics REIT PLC | 3,005,410 |
| Warehouse REIT PLC | 1,182,485 |
| Watkin Jones PLC | 1,999,902 |
| Workspace Group PLC | 1,261,850 |

The above transactions represent all sales and purchases during the period.

STATEMENT OF TOTAL RETURN

For the period ended 31 December 2021

| | Notes | Period 01.12.2020 to 31.12.2021 | | Period 31.10.2019 to 30.11.2020 | |
|--|-------|------------------------------------|--------------------|------------------------------------|--------------------|
| | | £ | £ | £ | £ |
| Income | | | | | |
| Net capital gains/(losses) | 2 | | 14,175,061 | | (1,082,897) |
| Revenue | 3 | 1,749,948 | | 910,730 | |
| Expenses | 4 | (232,953) | | (82,495) | |
| Interest payable and similar charges | 6 | <u>(2,943)</u> | | <u>(772)</u> | |
| Net revenue before taxation | | 1,514,052 | | 827,463 | |
| Taxation | 5 | <u>126,386</u> | | <u>(126,386)</u> | |
| Net revenue after taxation | | | <u>1,640,438</u> | | <u>701,077</u> |
| Total return before distributions | | | 15,815,499 | | (381,820) |
| Finance costs: distributions | 6 | | <u>(1,695,624)</u> | | <u>(874,302)</u> |
| Changes in net assets attributable to shareholders from investment activities | | | <u>14,119,875</u> | | <u>(1,256,122)</u> |

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the period ended 31 December 2021

| | Period 01.12.2020 to 31.12.2021 £ | Period 31.10.2019 to 30.11.2020 £ |
|--|--|--|
| Opening net assets attributable to shareholders | 30,393,437 | - |
| Amounts receivable on creation of shares | 47,447,072 | 38,452,438 |
| Amounts payable on redemption of shares | (13,406,242) | (7,545,390) |
| Retained distributions on accumulation shares | 1,352,820 | 728,762 |
| Dilution levy | 8,828 | 13,749 |
| Changes in net assets attributable to shareholders from investment activities (see above) | <u>14,119,875</u> | <u>(1,256,122)</u> |
| Closing net assets attributable to shareholders | <u>79,915,790</u> | <u>30,393,437</u> |

BALANCE SHEET

| As at 31 December 2021 | Notes | 31.12.2021 | | 30.11.2020 | |
|--|-------|------------------|-------------------|------------------|-------------------|
| | | £ | £ | £ | £ |
| FIXED ASSETS | | | | | |
| Investment assets | | | 78,233,347 | | 29,946,584 |
| CURRENT ASSETS | | | | | |
| Debtors | 7 | 459,024 | | 600,681 | |
| Cash and bank balances | 8 | <u>1,522,554</u> | | <u>377,436</u> | |
| Total current assets | | | <u>1,981,578</u> | | <u>978,117</u> |
| Total assets | | | 80,214,925 | | 30,924,701 |
| INVESTMENT LIABILITIES | | | | | |
| | | | - | | (167) |
| CURRENT LIABILITIES | | | | | |
| Distribution payable on income shares | | (119,702) | | (43,171) | |
| Creditors | 9 | <u>(179,433)</u> | | <u>(487,926)</u> | |
| Total current liabilities | | | <u>(299,135)</u> | | <u>(531,097)</u> |
| Net assets attributable to shareholders | | | <u>79,915,790</u> | | <u>30,393,437</u> |

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting policies

The principal accounting policies, which have been applied in the current period are set out below:

(a) The financial statements have been prepared in accordance with FRS 102, the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Association (IA) in May 2014 and the amendments to the SORP issued by the IA in June 2017. The functional currency is Sterling.

(b) Dividends on equities and property income distributions are recognised when the security is quoted ex-dividend. Other revenue is accounted for on an accruals basis. The IM rebate is calculated and accrued for daily and credited to capital each day.

Equalisation received by the way of distributions from OEICs/unit trust investments 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 Sub-fund, and where applicable is included in the distribution. In the case of 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 are charged to the capital of the Sub-fund.

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

(g) Quoted investments are valued at closing bid prices on the last business day of the accounting period at 12 noon.

(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 2021.

(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) The Sub-fund operates a dilution adjustment also known as swing pricing. This means that the daily price of the Sub-fund is swung up or down, depending on whether there are net inflows or outflows respectively. This means that the costs of transactions in the underlying investments of the Sub-fund are borne by those entering or exiting, rather than affecting the returns of existing shareholders. The dilution adjustment will be calculated by reference to the costs of dealing in the underlying investments of that Fund, including any dealing spreads, and these can vary with market conditions. The ACD estimates that the estimated range of this adjustment will typically fall in the range of 0.01% to 0.75% when buying or selling shares, with a maximum of 1.00%.

(k) Equalisation will be applied to the Sub-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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

| | Period 01.12.2020 to 31.12.2021 £ | Period 31.10.2019 to 30.11.2020 £ |
|---|--|--|
| 2 Net capital gains/(losses) | | |
| The net capital gains/(losses) comprise: | | |
| Realised non-derivative securities gains/(losses) | 419,218 | (1,661,223) |
| Unrealised non-derivative securities gains | 13,757,893 | 582,076 |
| Currency hedge gains/(losses) | 291 | (1,569) |
| Currency losses | (1,141) | (431) |
| Transaction charges | (1,200) | (1,750) |
| Total net capital gains/(losses) | <u>14,175,061</u> | <u>(1,082,897)</u> |

| | Period 01.12.2020 to 31.12.2021 £ | Period 31.10.2019 to 30.11.2020 £ |
|--------------------------------------|--|--|
| 3 Revenue | | |
| Non-taxable dividends | 413,369 | 195,534 |
| Property income distributions (PIDs) | 1,274,025 | 678,210 |
| Interest distributions | 11,157 | - |
| Annual management charge rebate | 51,381 | 35,626 |
| Bank interest | 16 | 1,360 |
| Total revenue | <u>1,749,948</u> | <u>910,730</u> |

| | Period 01.12.2020 to 31.12.2021 £ | Period 31.10.2019 to 30.11.2020 £ |
|---|--|--|
| 4 Expenses | | |
| Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director, and agents of either of them: | | |
| ACD fee | 183,903 | 44,301 |
| Payable to the depositary, associates of the depositary, and agents of either of them: | | |
| Depositary fee | 22,529 | 19,484 |
| Safe custody fee | 2,404 | 1,124 |
| | <u>24,933</u> | <u>20,608</u> |
| Other expenses: | | |
| Audit fee | 11,066 | 10,200 |
| FCA fee | 60 | 70 |
| Other fees | 12,991 | 7,316 |
| | <u>24,117</u> | <u>17,586</u> |
| Total expenses | <u>232,953</u> | <u>82,495</u> |

NOTES TO THE FINANCIAL STATEMENTS (Continued)

| 5 Taxation | Period | Period |
|---|-----------------------------|-----------------------------|
| | 01.12.2020 to 31.12.2021 | 31.10.2019 to 30.11.2020 |
| | £ | £ |
| (a) Analysis of charge in the period | | |
| UK corporation tax charge | - | 126,386 |
| Prior year tax adjustment | (126,386) | - |
| Total tax charge for the period (note 5b) | <u>(126,386)</u> | <u>126,386</u> |

(b) Factors affecting current tax charge for the period

The tax assessed for the period is lower than the standard rate of corporation tax in the UK for an authorised unit trust 20.00% (2020:20.00%)

The differences are explained below:

| | | |
|---|------------------|----------------|
| Net revenue before UK corporation tax | 1,514,052 | 827,463 |
| Corporation tax at 20.00% (2020:20.00%) | <u>302,810</u> | <u>165,493</u> |
| <u>Effects of:</u> | | |
| Revenue not subject to UK corporation tax | (337,479) | (39,107) |
| Excess management expenses | 34,669 | - |
| Prior year tax adjustment | (126,386) | - |
| Total tax charge for period (note 5a) | <u>(126,386)</u> | <u>126,386</u> |

(c) Provision for deferred taxation

At 31 December 2021 there is a potential deferred tax asset of £43,925 (30 November 2020: £9,256) in relation to surplus management expenses. It is unlikely the Trust will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised.

| 6 Finance costs | Period | Period |
|---|-----------------------------|-----------------------------|
| | 01.12.2020 to 31.12.2021 | 31.10.2019 to 30.11.2020 |
| | £ | £ |
| Interim dividend distributions | 1,340,402 | 762,363 |
| Final dividend distribution | <u>462,100</u> | <u>169,779</u> |
| | 1,802,502 | 932,142 |
| Add: Revenue deducted on cancellation of shares | 58,605 | 17,606 |
| Deduct: Revenue received on issue of shares | <u>(165,483)</u> | <u>(75,446)</u> |
| Net distribution for the period | 1,695,624 | 874,302 |
| Interest | <u>2,943</u> | <u>772</u> |
| Total finance costs | <u>1,698,567</u> | <u>875,074</u> |
| Reconciliation of distributions | | |
| Net revenue after taxation | 1,640,438 | 701,077 |
| Expenses paid from capital less annual management charge rebate | 181,572 | 46,839 |
| Relief on expenses allocated to capital | 1,646 | - |
| Balance brought forward | (126,386) | - |
| Balance carried forward | <u>(1,646)</u> | <u>126,386</u> |
| Net distribution for the period | <u>1,695,624</u> | <u>874,302</u> |

NOTES TO THE FINANCIAL STATEMENTS (Continued)

| 7 Debtors | 31.12.2021 | 30.11.2020 |
|--|-------------------|-------------------|
| | £ | £ |
| Accrued income: | | |
| Non-taxable dividends | 76,733 | 4,538 |
| Property income distributions (PIDs) | 109,289 | 46,524 |
| Interest distributions | 7,524 | - |
| Prepayments | 85 | 239 |
| Annual management charge rebate | 5,929 | 35,626 |
| Amounts receivable on subscriptions of shares | 259,464 | 513,754 |
| | <u>459,024</u> | <u>600,681</u> |
| | | |
| 8 Cash and bank balances | 31.12.2021 | 30.11.2020 |
| | £ | £ |
| Bank balances | <u>1,522,554</u> | <u>377,436</u> |
| | | |
| 9 Creditors | 31.12.2021 | 30.11.2020 |
| | £ | £ |
| Amounts payable for redemption of shares | 137,037 | 34,701 |
| Amounts payable on purchase of securities | 4,156 | 289,930 |
| Amounts payable to the ACD, associates of the ACD and agents of either of them: | | |
| ACD's periodic charge | 22,970 | 24,130 |
| Amounts payable to the Depositary, associates of the Depositary and agents of either of them: | | |
| Depositary's fees | 2,357 | 1,525 |
| Transaction charges | 194 | 204 |
| Safe custody fees | 775 | 456 |
| | <u>3,326</u> | <u>2,185</u> |
| Audit fee | 11,066 | 10,200 |
| Other accrued expenses | 878 | 394 |
| UK corporation tax payable | - | 126,386 |
| Total creditors | <u>179,433</u> | <u>487,926</u> |

10 Shares held

Class A Net Income GBP

| | |
|-------------------------------------|-------------------|
| Opening shares at 01.12.2020 | 4,328,838 |
| Shares issued during the period | 9,484,088 |
| Shares cancelled during the period | (1,684,924) |
| Shares converted during the period | - |
| Closing shares at 31.12.2021 | 12,128,002 |

Class A Net Accumulation GBP

| | |
|-------------------------------------|-------------------|
| Opening shares at 01.12.2020 | 5,687,892 |
| Shares issued during the period | 16,691,057 |
| Shares cancelled during the period | (3,019,132) |
| Shares converted during the period | - |
| Closing shares at 31.12.2021 | 19,359,817 |

Class F Net Income GBP

| | |
|-------------------------------------|------------------|
| Opening shares at 01.12.2020 | 3,676,427 |
| Shares issued during the period | 1,664,515 |
| Shares cancelled during the period | (880,437) |
| Shares converted during the period | - |
| Closing shares at 31.12.2021 | 4,460,505 |

Class F Net Accumulation GBP

| | |
|-------------------------------------|-------------------|
| Opening shares at 01.12.2020 | 17,015,767 |
| Shares issued during the period | 13,399,904 |
| Shares cancelled during the period | (5,455,996) |
| Shares converted during the period | - |
| Closing shares at 31.12.2021 | 24,959,675 |

Class F Net Accumulation EUR (Hedged)

| | |
|-------------------------------------|---------------|
| Opening shares at 01.12.2020 | 54,422 |
| Shares issued during the period | - |
| Shares cancelled during the period | - |
| Shares converted during the period | - |
| Closing shares at 31.12.2021 | 54,422 |

Class F Net Accumulation USD (Hedged)

| | |
|-------------------------------------|----------------|
| Opening shares at 01.12.2020 | 39,064 |
| Shares issued during the period | 212,926 |
| Shares cancelled during the period | (40,936) |
| Shares converted during the period | - |
| Opening shares at 01.12.2020 | 211,054 |

11 Risk management policies

In pursuing its investment objective as stated on page 1, the Sub-fund holds a number of financial instruments. The Sub-fund's financial instruments other than derivatives, comprise securities and other investments, 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 Sub-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 period.

Credit risk

Credit risk is the risk that a counterparty may be unable or unwilling to make a payment or fulfil contractual obligations. This may be in terms of an actual default or by deterioration in a counterparty's credit quality.

Certain transactions in securities that the Sub-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 Sub-fund has fulfilled its responsibilities. The Sub-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. Credit risk also arises on cash held within financial institutions. Credit risk on cash balances is mitigated by ensuring that cash is held with financial institutions that are at least investment grade credit related.

Interest rate risk

Interest rate risk is the risk that the value of the Sub-fund's investments will fluctuate as a result of interest rate changes. The amount of revenue receivable from bank balances or payable on bank overdrafts will be affected by fluctuations in interest rate. At the period end, the Sub-fund held cash and bank balances of £1,522,554 (30.11.2020: £377,436).

Foreign currency risk

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

The Sub-fund's investment portfolio is invested in overseas securities and the balance sheet can be affected by movements in foreign exchange rates. The AFM may seek to manage exposure to currency movements by using forward exchange contracts or by hedging the Sterling value of investments that are priced in other currencies. Revenue received in other currencies is converted to Sterling on or near the date of receipt. A portion of the net assets of the Sub-fund is denominated in currencies other than sterling with the effect that the balance sheet and total return can be affected by currency movements.

The table below shows the direct foreign currency risk profile:

| | 31.12.21 | 30.11.20 |
|-----------------|-------------------|-------------------|
| | £ | £ |
| Euro | 129 | (89) |
| US Dollars | 947 | 3 |
| | <u>1,076</u> | <u>(86)</u> |
| Pounds sterling | 79,914,714 | 30,393,523 |
| Net assets | <u>79,915,790</u> | <u>30,393,437</u> |

Leverage

The Sub-fund did not employ any significant leverage during both the current period and prior period.

Liquidity risk

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

All financial liabilities are payable in one year or less, or on demand.

11 Risk management policies (continued)

Market price risk

Market price risk is the risk that the value of the Sub-fund's financial instruments 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 primarily from uncertainty about the future prices of financial instruments that the Sub-fund holds.

Market price risk represents the potential loss the Sub-fund may suffer through holding market positions in the face of price movements. The Sub-fund's investment portfolio is exposed to price fluctuations, which are monitored by the ACD in pursuance of the investment objective and policy. The risk is generally regarded as consisting of two elements – stock specific risk and market risk. Adhering to investment guidelines and avoiding excessive exposure to one particular issuer can limit stock specific risk. Subject to compliance with the investment objective, spreading exposure across a broad range of global stocks can mitigate market risk.

A 10% increase in the value of the Sub-fund's portfolio would have the effect of increasing the return and net assets by £7,823,335 (30.11.2020: £2,994,642). A 10% decrease would have an equal and opposite effect.

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:

- Level 1: Unadjusted quoted price in an active market for an identical instrument;
- Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;
- Level 3: Valuation techniques using unobservable inputs.

| | Assets (£000's) | Liabilities (£000's) |
|--|----------------------------|---------------------------------|
| Level 1: Unadjusted quoted price in an active market for an identical instrument | 78,233 | - |

12 Contingent assets and liabilities

At 31 December 2021, the Sub-fund had no contingent liabilities or commitments (30 November 2020: none).

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 2021. Since that date, the Sub-fund's quoted price has moved as follows for each share class:

| Share Class | Price (GBP) at 31 Dec 2021 | Price (GBP) at 27 April 2022 |
|---------------------------------------|------------------------------------|--------------------------------------|
| Class A Net Income GBP | 123.9301 | 119.0823 |
| Class A Net Accumulation GBP | 132.1865 | 128.1582 |
| Class F Net Income GBP | 125.7734 | 121.1274 |
| Class F Net Accumulation GBP | 134.1806 | 130.3856 |
| | Price (EURc) at 31 Dec 2021 | Price (EURc) at 27 April 2022 |
| Class F Net Accumulation EUR (Hedged) | 155.7763 | 150.7384 |
| | Price (USDc) at 31 Dec 2021 | Price (USDc) at 27 April 2022 |
| Class F Net Accumulation USD (Hedged) | 157.9032 | 153.5521 |

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14 Direct transaction costs

| | Period 01.12.2020 to 31.12.2021 | | Period 31.10.2019 to 30.11.2020 | |
|--|---------------------------------|--------------|---------------------------------|--------------|
| | £ | % | £ | % |
| Analysis of total purchase costs | | | | |
| Purchases in the period before transaction costs | 41,706,392 | | 36,261,146 | |
| Commissions | 15,949 | 0.04% | 16,706 | 0.05% |
| Taxes & levies | 131,357 | 0.31% | 148,860 | 0.41% |
| Total purchase costs | <u>147,306</u> | <u>0.35%</u> | <u>165,566</u> | <u>0.46%</u> |
| Total purchases including transaction costs | <u>41,853,698</u> | | <u>36,426,712</u> | |

| | Period 01.12.2020 to 31.12.2021 | | Period 31.10.2019 to 30.11.2020 | |
|--|---------------------------------|----------------|---------------------------------|----------------|
| | £ | % | £ | % |
| Analysis of total sale costs | | | | |
| Sales in period before transaction costs | 7,748,499 | | 5,403,108 | |
| Commissions | (3,874) | (0.05%) | (2,109) | (0.04%) |
| Taxes & levies | (16) | (0.00%) | (17) | (0.00%) |
| Total sales costs | <u>(3,890)</u> | <u>(0.05%)</u> | <u>(2,126)</u> | <u>(0.04%)</u> |
| Total sales including transaction costs | <u>7,744,609</u> | | <u>5,400,982</u> | |

The following represents the total of each type of transaction cost, expressed as a percentage of the Sub-fund's average net asset value in the period:

| | Period 01.12.2020 to 31.12.2021 | | Period 31.10.2019 to 30.11.2020 | |
|----------------|---------------------------------------|---------------------------------|---------------------------------------|---------------------------------|
| | £ | % of average net asset value | £ | % of average net asset value |
| Commissions | 19,823 | 0.04% | 18,815 | 0.02% |
| Taxes & levies | 131,373 | 0.24% | 148,877 | 0.13% |
| | <u>151,196</u> | <u>0.28%</u> | <u>167,692</u> | <u>0.15%</u> |

15 Portfolio dealing spread

The average portfolio dealing spread at 31 December 2021 is 0.32% (2020: 0.44%).

DISTRIBUTION TABLES

First Interim distribution in pence per share (cents per share for USD and EUR classes)

Group 1: Shares purchased prior to 01 December 2020

Group 2 : Shares purchased on or after 01 December 2020 and on or before 28 February 2021

01 December 2020 to 28 February 2021

| Payment date | Unit type | Share Class | Net revenue 2021 | Equalisation 2021 | Distribution 2021 | Distribution 2020 |
|--------------|-----------|------------------|------------------|-------------------|-------------------|-------------------|
| 31.03.2021 | group 1 | A Net Income GBP | 0.5613p | - | 0.5613p | 0.6520p |
| 31.03.2021 | group 2 | A Net Income GBP | 0.2225p | 0.3388p | 0.5613p | 0.6520p |
| 31.03.2021 | group 1 | A Net Acc GBP | 0.5803p | - | 0.5803p | 0.6530p |
| 31.03.2021 | group 2 | A Net Acc GBP | 0.1939p | 0.3864p | 0.5803p | 0.6530p |
| 31.03.2021 | group 1 | F Net Income GBP | 0.5661p | - | 0.5661p | 0.6529p |
| 31.03.2021 | group 2 | F Net Income GBP | 0.3097p | 0.2564p | 0.5661p | 0.6529p |
| 31.03.2021 | group 1 | F Net Acc GBP | 0.5851p | - | 0.5851p | 0.6539p |
| 31.03.2021 | group 2 | F Net Acc GBP | 0.3115p | 0.2736p | 0.5851p | 0.6539p |
| 31.03.2021 | group 1 | F Net Acc EUR | 0.6074c | - | 0.6074c | - |
| 31.03.2021 | group 2 | F Net Acc EUR | 0.6074c | - | 0.6074c | - |
| 31.03.2021 | group 1 | F Net Acc USD | 0.4872c | - | 0.4872c | - |
| 31.03.2021 | group 2 | F Net Acc USD | 0.0000c | 0.4872c | 0.4872c | - |

Second Interim distribution in pence per share (cents per share for USD and EUR classes)

Group 1: Shares purchased prior to 01 March 2021

Group 2 : Shares purchased on or after 01 March 2021 and on or before 31 May 2021

01 March 2021 to 31 May 2021

| Payment date | Unit type | Share Class | Net revenue 2021 | Equalisation 2021 | Distribution 2021 | Distribution 2020 |
|--------------|-----------|------------------|------------------|-------------------|-------------------|-------------------|
| 30.06.2021 | group 1 | A Net Income GBP | 0.9096p | - | 0.9096p | 0.8302p |
| 30.06.2021 | group 2 | A Net Income GBP | 0.4227p | 0.4869p | 0.9096p | 0.8302p |
| 30.06.2021 | group 1 | A Net Acc GBP | 0.9456p | - | 0.9456p | 0.8372p |
| 30.06.2021 | group 2 | A Net Acc GBP | 0.3442p | 0.6014p | 0.9456p | 0.8372p |
| 30.06.2021 | group 1 | F Net Income GBP | 0.9188p | - | 0.9188p | 0.8331p |
| 30.06.2021 | group 2 | F Net Income GBP | 0.5359p | 0.3829p | 0.9188p | 0.8331p |
| 30.06.2021 | group 1 | F Net Acc GBP | 0.9550p | - | 0.9550p | 0.8397p |
| 30.06.2021 | group 2 | F Net Acc GBP | 0.3238p | 0.6312p | 0.9550p | 0.8397p |
| 30.06.2021 | group 1 | F Net Acc EUR | 0.9582c | - | 0.9582c | 0.3826c |
| 30.06.2021 | group 2 | F Net Acc EUR | 0.9582c | - | 0.9582c | 0.3826c |
| 30.06.2021 | group 1 | F Net Acc USD | 0.7844c | - | 0.7844c | 0.3514c |
| 30.06.2021 | group 2 | F Net Acc USD | 0.5420c | 0.2424c | 0.7844c | 0.3514c |

DISTRIBUTION TABLES (Continued)
Third Interim distribution in pence per share (cents per share for USD and EUR classes)

Group 1: Shares purchased prior to 01 June 2021

Group 2 : Shares purchased on or after 01 June 2021 and on or before 30 June 2021

01 June 2021 to 30 June 2021

| Payment date | Unit type | Share Class | Net revenue 2021 | Equalisation 2021 | Distribution 2021 | Distribution 2020 |
|--------------|-----------|------------------|------------------|-------------------|-------------------|-------------------|
| 30.07.2021 | group 1 | A Net Income GBP | 0.4071p | - | 0.4071p | - |
| 30.07.2021 | group 2 | A Net Income GBP | 0.1729p | 0.2342p | 0.4071p | - |
| 30.07.2021 | group 1 | A Net Acc GBP | 0.4268p | - | 0.4268p | - |
| 30.07.2021 | group 2 | A Net Acc GBP | 0.1587p | 0.2681p | 0.4268p | - |
| 30.07.2021 | group 1 | F Net Income GBP | 0.4117p | - | 0.4117p | - |
| 30.07.2021 | group 2 | F Net Income GBP | 0.2318p | 0.1799p | 0.4117p | - |
| 30.07.2021 | group 1 | F Net Acc GBP | 0.4316p | - | 0.4316p | - |
| 30.07.2021 | group 2 | F Net Acc GBP | 0.0197p | 0.4119p | 0.4316p | - |
| 30.07.2021 | group 1 | F Net Acc EUR | 0.4316c | - | 0.4316c | - |
| 30.07.2021 | group 2 | F Net Acc EUR | 0.4316c | - | 0.4316c | - |
| 30.07.2021 | group 1 | F Net Acc USD | 0.3598c | - | 0.3598c | - |
| 30.07.2021 | group 2 | F Net Acc USD | 0.3598c | - | 0.3598c | - |

Fourth Interim distribution in pence per share (cents per share for USD and EUR classes)

Group 1: Shares purchased prior to 01 July 2021

Group 2 : Shares purchased on or after 01 July 2021 and on or before 30 September 2021

01 July 2021 to 30 September 2021

| Payment date | Unit type | Share Class | Net revenue 2021 | Equalisation 2021 | Distribution 2021 | Distribution 2020^ |
|--------------|-----------|------------------|------------------|-------------------|-------------------|--------------------|
| 29.10.2021 | group 1 | A Net Income GBP | 0.9160p | - | 0.9160p | 1.0303p |
| 29.10.2021 | group 2 | A Net Income GBP | 0.3491p | 0.5669p | 0.9160p | 1.0303p |
| 29.10.2021 | group 1 | A Net Acc GBP | 0.9637p | - | 0.9637p | 1.0478p |
| 29.10.2021 | group 2 | A Net Acc GBP | 0.3922p | 0.5715p | 0.9637p | 1.0478p |
| 29.10.2021 | group 1 | F Net Income GBP | 0.9271p | - | 0.9271p | 1.0355p |
| 29.10.2021 | group 2 | F Net Income GBP | 0.1216p | 0.8055p | 0.9271p | 1.0355p |
| 29.10.2021 | group 1 | F Net Acc GBP | 0.9755p | - | 0.9755p | 1.0529p |
| 29.10.2021 | group 2 | F Net Acc GBP | 0.5984p | 0.3771p | 0.9755p | 1.0529p |
| 29.10.2021 | group 1 | F Net Acc EUR | 0.9716c | - | 0.9716c | 1.1081c |
| 29.10.2021 | group 2 | F Net Acc EUR | 0.9716c | - | 0.9716c | 1.1081c |
| 29.10.2021 | group 1 | F Net Acc USD | 0.7950c | - | 0.7950c | 0.9681c |
| 29.10.2021 | group 2 | F Net Acc USD | 0.1021c | 0.6929c | 0.7950c | 0.9681c |

^ comparator period 01 June 2020 to 31 August 2020

DISTRIBUTION TABLES (Continued)

Final distribution in pence per share (cents per share for USD and EUR classes)

Group 1: Shares purchased prior to 01 October 2021

Group 2 : Shares purchased on or after 01 October 2021 and on or before 31 December 2021

01 October 2021 to 31 December 2021

| Payment date | Unit type | Share Class | Net revenue 2022 | Equalisation 2022 | Distribution 2022 | Distribution 2021 |
|--------------|-----------|------------------|------------------|-------------------|-------------------|-------------------|
| 31.01.2022 | group 1 | A Net Income GBP | 0.7189p | - | 0.7189p | 0.5376p |
| 31.01.2022 | group 2 | A Net Income GBP | 0.3447p | 0.3742p | 0.7189p | 0.5376p |
| 31.01.2022 | group 1 | A Net Acc GBP | 0.7623p | - | 0.7623p | 0.5526p |
| 31.01.2022 | group 2 | A Net Acc GBP | 0.5051p | 0.2572p | 0.7623p | 0.5526p |
| 31.01.2022 | group 1 | F Net Income GBP | 0.7290p | - | 0.7290p | 0.5413p |
| 31.01.2022 | group 2 | F Net Income GBP | 0.3707p | 0.3583p | 0.7290p | 0.5413p |
| 31.01.2022 | group 1 | F Net Acc GBP | 0.7732p | - | 0.7732p | 0.5564p |
| 31.01.2022 | group 2 | F Net Acc GBP | 0.5859p | 0.1873p | 0.7732p | 0.5564p |
| 31.01.2022 | group 1 | F Net Acc EUR | 0.7601c | - | 0.7601c | 0.5796c |
| 31.01.2022 | group 2 | F Net Acc EUR | 0.7601c | - | 0.7601c | 0.5796c |
| 31.01.2022 | group 1 | F Net Acc USD | 0.6648c | - | 0.6648c | 0.4734c |
| 31.01.2022 | group 2 | F Net Acc USD | 0.5516c | 0.1132c | 0.6648c | 0.4734c |

^ comparator period 01 September 2020 to 30 November 2020

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) 75.00% of the total dividend allocation is received as Property income.
- ii) 0.66% of the total dividend allocation is received as Interest income.
- iii) 24.34% of the total dividend allocation is received as Other income.

INFORMATION FOR INVESTORS

Individual shareholders

Income tax: Tax-free annual dividend allowance now standing at £2,000 (2021/22). UK resident shareholders are 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 £12,300 (2021/22) 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 Sub-fund will pay no corporation tax on its profits for the period ended 31 December 2021. Capital gains within the Sub-fund will not be taxed. Further information on the taxation of Property Authorised Investment Fund (PAIF) can be found at <https://www.gov.uk/hmrc-internal-manuals/investment-funds/ifm04110>.

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 a rate of 20% 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. Instructions may be given by email to (GULP@valu-trac.com) or by sending an application form to the Registrar. Application forms are available from the Registrar.

The price of shares will be determined by reference to a valuation of the Company's net assets at 12:00 noon 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.

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.

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 minimum value of shares that a shareholder may hold is £100, for Class A Income and Class A Accumulation shares and £nil for Class F Income and Class F Accumulation. The ACD may at its discretion accept subscriptions lower than the minimum amount.

INFORMATION FOR INVESTORS (Continued)

Alternative Investment Fund Managers Directive

Under the EU's Alternative Investment Fund Managers Directive (AIFMD) 2013, the Company has been designated an Alternative Investment Fund. The ACD, Valu-Trac Investment Management Limited, ("Valu-Trac") has been appointed as the Alternative Investment Fund Manager (AIFM). The AIFMD has had little impact on the operating costs or management of VT Gravis UK Listed Property (PAIF) Fund.

To comply with the AIFMD, information about the AIFM's remuneration policies and disclosures is available from Valu-Trac Investment Management Limited on its website. The Company does not employ any staff directly from the AIFM, so there are no quantitative disclosures in this report.

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

CORPORATE DIRECTORY

| | |
|---|---|
| Authorised Corporate Director, Manager & Registrar | Valu-Trac Investment Management Limited Orton Moray IV32 7QE Telephone: 01343 880344 Fax: 01343 880267 Email: GULP@valu-trac.com Authorised and regulated by the Financial Conduct Authority Registered in England No 2428648 |
| Investment Adviser | Gravis Advisory Limited 24 Savile Row London W1S 2ES |
| Depositary | NatWest Trustee and Depositary Services Limited House A Floor 0, 175 Glasgow Road Gogarburn Edinburgh EH12 1HQ Authorised and regulated by the Financial Conduct Authority |
| Auditor | Johnston Carmichael LLP Commerce House South Street Elgin Moray IV30 1JE |

Statement by the Authorised Fund Manager (AFM) to the shareholders of VT Gravis UK Listed Property (PAIF) Fund on the outcome of the AFM's assessment of the value provided to shareholders

For the period 01 December 2020 to 31 December 2021

This assessment is to establish what VT Gravis UK Listed Property (PAIF) Fund (the Fund) has delivered to you in return for the price you have had to pay.

Our assessment has been conducted against the seven factors outlined by the FCA and the fund has been rated via a 'traffic light' system, where green (G) indicates good value: amber (A) room for improvement, and red (R) poor value. The dashboard below shows an overall summary of the assessment.

| | Quality of Service | Performance | AFM costs - general | Economies of scale | Comparable market rates | Comparable services | Classes of units | Overall |
|--|--------------------|-------------|---------------------|--------------------|-------------------------|---------------------|------------------|---------|
| VT Gravis UK Listed Property (PAIF) Fund | ● G | ● G | ● G | ● G | ● G | ● G | ● G | ● G |
| F Class | ● G | ● G | ● G | ● G | ● G | ● G | ● G | ● G |
| A Class | ● G | ● G | ● G | ● G | ● G | ● G | ● G | ● G |

The AFM is the Authorised Corporate Director of the Fund, Valu-Trac Investment Management Limited (Valu-Trac). The Investment Adviser is Gravis Advisory Limited.

The Fund was launched on 31 October 2019.

It is intended that the Fund will be a PAIF at all times, and, as such, its investment objective is to carry on Property Investment Business and to manage cash raised from investors for investment in the Property Investment Business. In so doing the objective of the Fund is to provide some capital growth through market cycles (7 years) whilst delivering a periodic income.

Investment Policy:

The Fund seeks to achieve its objective primarily (70% +) by investing in a diversified portfolio of transferable real estate securities such as real estate investment trusts ("REITs") listed on the London Stock Exchange, real estate operating companies ("REOCs"), bonds and equities. The Fund seeks to minimise exposure to the retail property sector.

In addition to investing in REITs and REOCs the Fund may also invest in other transferable securities (including convertible securities and rated and unrated debt securities of real estate companies), bonds, collective investment schemes, transferable securities, money market instruments, deposits, cash and near cash.

Save as noted above, there is no particular emphasis on any geographical area or industry or economic sector.

| Value of Fund (per the performance record) | At and for the period ended | |
|--|-----------------------------|------------------|
| | 31 December 2021 | 30 November 2020 |
| F Net Income GBP ¹ | £5,610k | £3,571k |
| F Net Accumulation GBP ¹ | £33,491k | £17,083k |
| F Net Accumulation EUR (Hedged) ² | €85k | €64k |
| F Net Accumulation USD (Hedged) ² | \$333k | \$46k |
| A Net Income GBP ¹ | £15,030k | £4,172k |
| A Net Accumulation GBP ¹ | £25,591k | £5,668k |

| | | |
|--|----------|-----------|
| Shares outstanding | | |
| F Net Income GBP ¹ | 4,461k | 3,676k |
| F Net Accumulation GBP ¹ | 24,960k | 17,016k |
| F Net Accumulation EUR (Hedged) ² | 54k | 54k |
| F Net Accumulation USD (Hedged) ² | 211k | 39k |
| A Net Income GBP ¹ | 12,128k | 4,329k |
| A Net Accumulation GBP ¹ | 19,360k | 5,688k |
| NAV per share | | |
| F Net Income GBP ¹ | 125.77p | 97.14p |
| F Net Accumulation GBP ¹ | 134.18p | 100.40p |
| F Net Accumulation EUR (Hedged) ² | 155.78c | 117.14c |
| F Net Accumulation USD (Hedged) ² | 157.90c | 117.50c |
| A Net Income GBP ¹ | 123.93p | 96.38p |
| A Net Accumulation GBP ¹ | 132.19p | 99.65p |
| Dividend per share | | |
| F Net Income GBP ¹ | 3.55p | 3.22p |
| F Net Accumulation GBP ¹ | 3.50p | 3.26p |
| F Net Accumulation EUR (Hedged) ² | 3.73c | 2.07c |
| F Net Accumulation USD (Hedged) ² | 3.09c | 1.79c |
| A Net Income GBP ¹ | 3.51p | 3.21p |
| A Net Accumulation GBP ¹ | 3.68p | 3.25p |
| Net gains/(losses) before expenses | | |
| Capital (losses) | £14,176k | (£1,081k) |
| Total Net (losses) | £15,875k | (£206k) |
| <i>1 Share class launched on 31 October 2019 at 100p</i> | | |
| <i>2 Share class launched 02 April 2020 at 100c</i> | | |

In carrying out the assessment of value the following criteria were considered:

1. Quality of service

The AFM considers that a good level of service was provided to shareholders by all parties involved commensurate to the amount paid by the Fund for those services. The AFM monitors the following operational services:

Depository – NatWest Trustee and Depository Services Limited

Custodian – RBC Investor Services Trust, UK branch (RBC)

The external audit is conducted by Johnston Carmichael LLP.

These services are essential in ensuring that the Fund operated efficiently and in the case of the Depository and Custodian the service is supervised on an on-going daily basis by the AFM. As a shareholder this means that you can be certain that your requests such as investment and redemption of the Fund's units will always be carried out exactly as set out in the documentation.

Valu-Trac does not delegate any of the core functions of the Fund such as fund administration, fund accounting and transfer agency. This means that the AFM directly employs and supervises the individuals who are carrying out this work and that those undertaking the work are appropriately qualified and experienced. Due to this high level of supervision and control of these functions the AFM believes that the shareholders can be certain that their instructions will be carried out efficiently and that the reporting they receive is timely and focused. The AFM works closely with Gravis Advisory Limited to coordinate mailings such as annual letters with dividend vouchers and financial reports to avoid excessive correspondence whilst providing all required reporting on a timely and clear basis. This also has ensured that the AFM has responded to any enquiries from shareholders fully and promptly.

The AFM has also assessed the costing of each of these services to comparable providers and has concluded that the company is receiving good value for the services provided by each party (detailed analysis on how we have arrived at this conclusion can be provided on request).

2. Performance

The AFM has assessed performance of the Fund net of all the charges that are outlined in its prospectus. The Fund does not have a specific benchmark. However, the performance of the Fund can be assessed as to whether the objective has been achieved, particularly to provide some capital growth through market cycles (7 years) whilst delivering periodic income. To aid this the Fund performance is compared to the performance of the IA Property other sector (the comparator). Note As the Fund has only been running for just over two years, it is too early to determine if the objective will be fully achieved.

To show capital growth, the total returns generated in the period under review and since inception are shown on the table below. Note these returns are after operating costs, including the fee paid to the investment manager, and transaction costs which vary depending on the class of shares, this is discussed more in the Classes of Units section below.

| | Performance period ended 31 December 2021 | Comparator Performance period ended 31 December 2021 | Performance since inception | Comparator Performance since inception |
|---|--|---|--|---|
| F Net Income GBP ¹ | 33.13% | 23.97% | 32.54% | 14.86% |
| F Net Accumulation GBP ¹ | 33.65% | 23.97% | 34.18% | 14.86% |
| F Net Accumulation EUR (Hedged) ² | 32.98% | 23.97% | 55.78% | 38.85% |
| F Net Accumulation USD (Hedged) ² | 34.38% | 23.97% | 57.90% | 38.85% |
| A Net Income GBP ¹ | 32.22% | 23.97% | 30.65% | 14.86% |
| A Net Accumulation GBP ¹ | 32.66% | 23.97% | 32.19% | 14.86% |

Total return basis has distributions added back in for the Income share classes.

1 Share class inception date - 31 October 2019

2 Share class inception date - 02 April 2020

To show income being delivered, the dividend yields in the period under review and since inception against the comparator are shown below.

| | Annualised Dividend Yield period ended 31 December 2021 | Annualised Dividend Yield since inception | Annualised comparator Dividend Yield |
|---------------------------------|--|--|---|
| F Net Income GBP | 3.38% | 3.13% | 2.11% |
| F Net Accumulation GBP | 3.42% | 3.22% | 2.11% |
| F Net Accumulation EUR (Hedged) | 2.94% | 3.31% | 2.11% |
| F Net Accumulation USD (Hedged) | 2.43% | 2.79% | 2.11% |
| A Net Income GBP | 3.36% | 3.10% | 2.11% |
| A Net Accumulation GBP | 3.41% | 3.20% | 2.11% |

The AFM has also assessed the risk taken to achieve the above performance and is satisfied no excessive risk was taken to achieve performance (detailed analysis on how we have arrived at this conclusion can be provided on request).

3. AFM costs - general

The costs charged during the period ended 31 December 2021 were as follows:

| | £ | Annualised % of average fund value |
|--|----------------|---|
| Authorised Corporate Director (F Class only) | 22,098 | 0.04% |
| Investment Adviser fee (A Class only) | 161,805 | 0.28% |
| Investment Adviser rebate | (51,381) | (0.09%) |
| Depositary fee | 22,529 | 0.04% |
| Safe custody fee | 2,404 | 0.00% |
| Audit fee | 11,066 | 0.02% |
| FCA fee | 60 | 0.00% |
| Transaction charges (capital) | 1,200 | 0.00% |
| Other fees | 12,991 | 0.02% |
| Total Costs | 182,772 | 0.31% |

Net gains for the year (capital and revenue less expenses) was £15,815k after a prior year taxation reversal of £126k.

The Investment Adviser has, with the agreement of the ACD, undertaken that if the total Ongoing charges figure (OCF) of the Fund excluding the costs of the underlying holdings exceeds 0.70%, the Investment Adviser shall reimburse the 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 Fund having a total OCF equal to the stated annual management charge for each class in the relevant accounting period.

There were no preliminary charges, redemption charges paid by shareholders during the period. There were dilution levies of £8,828 in the period under review.

It should be noted that the prospectus does not allow for redemption charges however, the Fund operates a dilution adjustment also known as swing pricing. This means that the daily price of the Fund is swung up or down, depending on whether there are net inflows or outflows respectively. This means that the costs of transactions in the underlying investments of the Fund are borne by those entering or exiting, rather than affecting the returns of existing shareholders. The dilution adjustment will be calculated by reference to the costs of dealing in the underlying investments of that Fund, including any dealing spreads, and these can vary with market conditions. The AFM estimates that the estimated range of this adjustment will typically fall in the range of 0.01% to 0.75% when buying or selling Shares, with a maximum of 1.00%.

The AFM has considered the costs charged to the Fund by comparing the operating charges of the share classes to the average OCF of the largest 10 funds in the IA Property other sector, retail classes where available. This is shown below.

| | Operating charges (including the cost of underlying holdings) |
|--|--|
| F Class | 0.43% |
| A Class | 1.13% |
| IA Property other sector (average of 10 largest funds) | 1.27% |

Source - Morningstar

The AFM has concluded the costs, and in particular the Investment Adviser’s fee is appropriate and justified for the Fund. It should be noted that a significant portion of the operating charges is the costs of underlying trusts it holds at 0.43%. Excluding this the operating charges would be 0.70% for the A Classes and 0.00% for the F Class share classes. Section 7 discusses the difference in the annual management fee charged to the two share classes.

4. Economies of scale

The AFM has assessed to what extent it has been able to achieve any savings as a result of economies of scale. Where any such savings have been made this has in every case been passed on to the shareholders. An example of this is the depositary fees charged being on a sliding scale so reduce in cost as the Fund exceeds certain thresholds. As the AFM grows its total assets across all schemes it uses this purchasing power to benefit all schemes.

5. Comparable market rates

The AFM has compared the charges of this Fund with that of comparable funds. The AFM selected funds that are classified in the IA Property other sector along with similar style funds that the AFM administer. The AFM believes that the shareholders of the Fund are achieving efficient market rates as a whole and are not excessive as discussed in section 3. As the AFM assets grow in total it continues to strive for extra efficiencies wherever this can be achieved for all of its schemes.

6. Comparable services

The services provided to this Fund and the costs are also comparable amongst other similar Funds operated by the AFM.

7. Classes of units

There are 6 share classes, split between F shares and A shares;

| | At and for the period ended | |
|--------------------------|------------------------------------|------------------------------|
| | 31 December 2021* | 30 November 2020* |
| Operating charges | | |
| F Class | 0.43% | 0.00% |
| A Class | 1.13% | 0.70% |

*Annualised

It should be noted that for the period ended 30 November 2020, the operating charges excluded the cost of underlying trusts which have been included in the period ended 31 December 2021 operating charges.

The annual management charge which pays both the investment adviser fee and ACD fee is 0.00% for the F Class and 0.70% for the A Class. The F shares are only available to the VT Gravis UK Listed Property (Feeder) Fund or at the ACD’s discretion.

CONCLUSION

As mentioned in the introduction, we have rated the fund based on a ‘traffic light assessment system. This is shown in the table below, where green (G) indicates good value; amber (A) indicates room for improvement, and red (R) indicates poor value.

| | Quality of Service | Performance | AFM costs - general | Economies of scale | Comparable market rates | Comparable services | Classes of units | Overall |
|--|--------------------|-------------|---------------------|--------------------|-------------------------|---------------------|------------------|---------|
| VT Gravis UK Listed Property (PAIF) Fund | ● G | ● G | ● G | ● G | ● G | ● G | ● G | ● G |
| F Class | ● G | ● G | ● G | ● G | ● G | ● G | ● G | ● G |
| A Class | ● G | ● G | ● G | ● G | ● G | ● G | ● G | ● G |

In taking all of these criteria into consideration the AFM concludes that in assessing whether the payments out of the scheme property as set out in the prospectus are justified in the context of the overall value delivered to shareholders, the AFM concludes that the shareholders of VT Gravis UK Listed Property (PAIF) Fund are receiving good value.

27 April 2022