

GRAVIS

UK LISTED PROPERTY

MONTHLY FACTSHEET

29 FEBRUARY 2020

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OVERVIEW

The VT Gravis UK Listed Property Fund (the "Fund") is a Non UCITs Retail Scheme (NURS) Open Ended Investment Company (OEIC) with Property Alternative Investment Fund (PAIF) status.

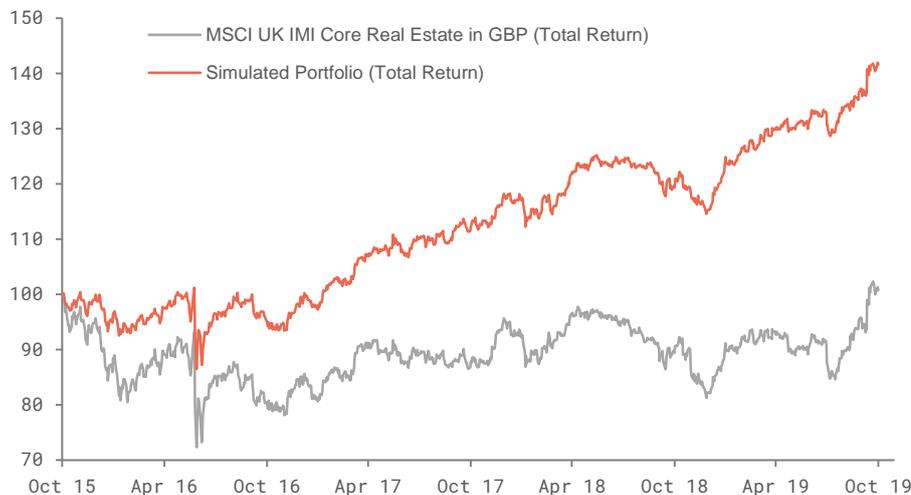
The Fund invests primarily in UK Real Estate Investment Trusts and initially excludes exposure to retail property companies. The Fund is advised by Gravis Advisory Limited who also advise the VT Gravis UK Infrastructure Income Fund and the VT Gravis Clean Energy Income Fund.

FUND OBJECTIVES

- To achieve capital growth through market cycles*
- To invest in a diversified portfolio of London Stock Exchange listed securities, consisting primarily of Real Estate Investment Trusts and potentially some bonds and closed ended funds.
- Avoid exposure to retail property companies at launch
- Aims to deliver a regular income expected to be 4% per annum after charges.

PERFORMANCE CHART

Simulated Portfolio (Total Return after charges) 31/10/2015 – 31/10/2019



Hypothetical past performance is not necessarily indicative of future results.

Simulated performance after charges

Company overview

Name	VT Gravis UK Listed Property Fund
Regulatory Status	FCA Authorised NURS OEIC with PAIF Status
Sector	IA Property Other
Launch Date	31 October 2019
Fund Size	£27.5m
Net Asset Value per share as at 31 December 2019	A Acc (£): 102.02p A Inc (£): 101.21p F Acc (£): 102.25p F Inc (£): 101.44p
Share Classes	Income and Accumulation (£, \$, €)
Min. Investment	£100
Capped fund operating charges	0.7% (AMC & OCF)
Dividends	Quarterly
Objectives	4% dividend yield Capital growth Inflation protection
Classification	Non-complex
Liquidity	Daily dealing
ISINs	A Acc (£): GB00BK8VW755 A Inc (£): GB00BK8VW532 A Acc (\$): GB00BK8VYN55 A Inc (\$): GB00BK8VMH57 A Acc (€): GB00BK8VW862 A Inc (€): GB00BK8VW649
Feeder ISINs	F Acc (£): GB00BKDZ8Y17 F Inc (£): GB00BKDZ8V85 F Acc (\$): GB00BKDZ9049 F Inc (\$): GB00BKDZ8X00 F Acc (€): GB00BKDZ8Z24 F Inc (€): GB00BKDZ8W92

RETURNS

	RETURN*	VOLATILITY	CORRELATION	RETURNS				
				2015 ¹	2016	2017	2018	2019 ²
Simulated Portfolio (Total Return)	41.65%	10.88%	-	-1.27%	0.81%	18.76%	-2.40%	22.78%
MSCI UK IMI Core Real Estate GBP (TR)	0.79%	17.66%	0.93	-6.03%	-9.42%	12.43%	-14.04%	22.52%

*Returns from 31/10/2015 – 31/10/2019

¹Part period from 31/10/2015 – 31/12/2015

²Part period from 01/01/2019 – 31/10/2019

*We expect this to be a period of 7 years

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FUND ADVISER'S REPORT

The coronavirus looks likely to continue to weigh on markets, but good quality specialist REIT's are well positioned to avoid the worst of the volatility

Over the course of February, the NAV of the Fund decreased to 102.0166p (A Acc), net of fees and expenses.

The strategy of the Fund is to invest in a diversified portfolio of real estate companies that are likely to benefit from four strong socio-economic mega trends: ageing population, digitalisation, generation rent and urbanisation. At the same time as minimising portfolio exposure to the challenging consumer trends currently affecting retail real estate, especially shopping centres.

During February investor fears about the economic consequences from the spread of the coronavirus weighed on global equity markets. The UK was no exception, the MSCI UK closed the month down -9.1% and the broad REIT market was dragged -8.7% lower, both on a total return basis. Drilling down into the performance of the real estate sub-sectors reveals that the office, self-storage and healthcare REITs performed relatively well. In contrast, the worst performing sub-sector was retail real estate, declining -19.1%.

At a stock level the best performing property shares, based on the constituents of the iShares UK property index tracker, were Grainger, Impact Healthcare REIT and Safestore Holdings. All three stocks are held by the Fund. At the opposite end of the performance ranking table were the retail REITs and the diversified REITs. None of which are held by the Fund.

Against the background of weak share prices, the question of whether listed real estate behaves like private real estate or as equities is an important one for investors. It is a question that was recently addressed in an academic research report published by EPRA*. The results of the research showed that: investing in an index of REITs yields similar results to

investing in a direct property; the correlation between listed real estate and direct real estate increases with the time horizon; and the correlation between REITs and equities declines with time. In summary, the longer an investor holds REITs for the more property-like returns they will experience. The Fund seeks to improve upon this relationship by investing in REITs that are likely to benefit from strong socio-economic mega trends.

An advantage of investing in property companies with well leased portfolios on long lease terms is the reliability in rental income and, in turn, dividend income. During February six portfolio companies, spanning all four mega trends, provided a trading update. The strength of their underlying property and the skill of the management teams was evident in the dividend growth that they reported. Every company reported growth in dividend per share, ranging from +2.2% for Tritax Big Box, the owner of logistics warehouses, up to 14.5% for Unite Group, the largest listed owner and operator of student accommodation in the UK. Primary Health Properties, the owner of GP surgeries, reported its 23rd consecutive year of DPS growth. A truly impressive result and clear evidence of one of the benefits of owning good quality real estate managed by experienced specialists.

Looking ahead, while the economic spill over effects of the coronavirus remain hard to predict we expect the Fund's diversified portfolio of specialist REITs to continue to benefit from ownership of high-quality real estate in growing niches. Such attributes are likely to continue to deliver growth in rental income and in turn growth in dividends to investors.

Matthew Norris, CFA
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Investment Adviser

Gravis Advisory Limited is owned and managed by Gravis Capital Management Ltd ("Gravis").

Gravis was established in May 2008 as a specialist investor in property and infrastructure and now manages c.£3.2bn of assets in these sectors in the UK.

Gravis Advisory Limited is Investment Adviser to the c.£583m VT Gravis UK Infrastructure Income Fund, which is one of the only OEICs focusing on investment in the UK's infrastructure sector.

Fund Advisers

Matthew Norris, CFA is the lead adviser to the VT Gravis UK Listed Property Fund.

Matthew has more than two decades investment management experience and has a specialist focus on real estate securities.

He served as an Executive Director of Grosvenor Europe where he was responsible for global real estate securities strategies. He joined Grosvenor following roles managing equity funds at Fulcrum Asset Management and Buttonwood Capital Partners.

Matthew holds a BA (Hons) degree in Economics & Politics from the University of York, the Investment Management Certificate and is a CFA charterholder.

He also provides expert input to research projects run by EPRA, which focus on the importance of emergent real estate sectors.

Nick Barker is the strategic adviser to the fund. Nick is the lead manager of the c.£900m GCP Student Living REIT.

He is a qualified member of RICS and headed up the Alternative Property division at Schrodgers.

Nick joined Gravis in 2016 and has accumulated over 16 years of investment experience in the property sector.

**Does listed real estate behave like direct real estate?
European Public Real Estate Association, December 2019.*

REITS BRIEFING¹

- A UK Real Estate Investment Trust (REIT) is a London Stock Exchange listed closed ended publicly traded company that provides investors with tax efficient exposure to property assets.
- A REIT can invest in a wide variety of property.
- REIT Shares can be traded daily without the liquidity risk often experienced by open ended funds which own direct property.
- UK REIT status exempts the company from corporation tax on profits and gains from UK qualifying property rental businesses.
- A UK REIT must distribute at least 90% of its taxable income to investors. Distributions are treated as property rental income rather than dividends. Taxation of income from property is moved from the corporate level to the investor level, benefitting ISA, SIPP and Bond investors.

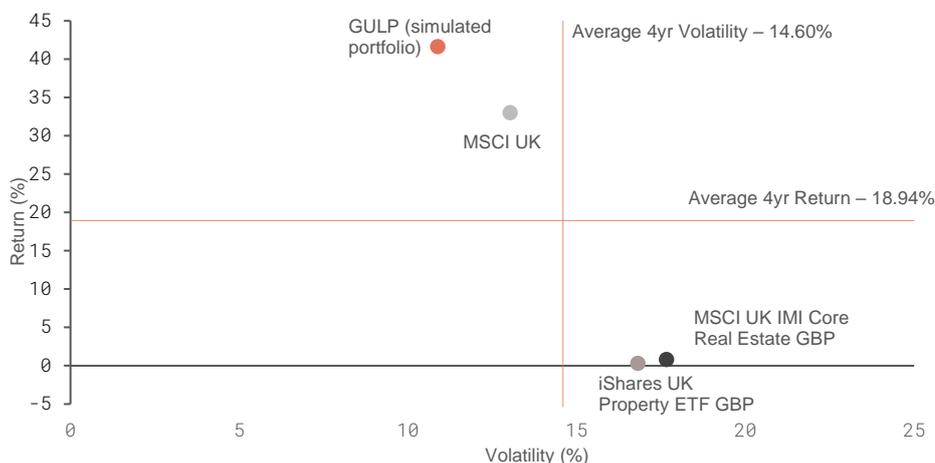
¹www.londonstockexchange.com/specialist-issuers/reits/reits.html

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RISK & REWARD – 4 YEARS

Returns and volatility – 31/10/2015 – 31/10/2019



Simulated portfolio vs MSCI UK GBP vs MSCI UK IMI Core Real Estate GBP vs iShares UK Property ETF GBP
Hypothetical past performance is not necessarily indicative of future results. Simulated performance after charges

	4YR TOTAL RETURN	4YR VOLATILITY	12 MONTH YIELD
Simulated Portfolio	41.65%	10.88%	3.73%
MSCI UK GBP	33.01%	13.03%	4.43%
iShares UK Property ETF GBP	0.31%	16.81%	3.02%
MSCI UK IMI Core Real Estate GBP	0.79%	17.66%	3.64%

Platforms

Aegon	Novia
AJ Bell	Nucleus
Ascentric	Old Mutual
Aviva	Pershing
CoFunds	Raymond James
Fidelity	Sanlam
Funds Network	Standard Life
FNZ	Standard Life Elevate
Hargreaves Lansdown	Transact
Hubwise	Zurich
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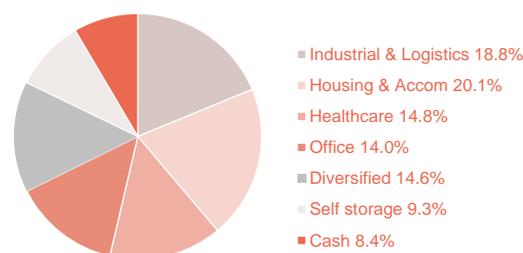
Dealing

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HOLDINGS (As at 28 February 2020)

HOLDING	%
Tritax Big Box REIT PLC	7.29
SEGRO PLC	7.22
Unite Group PLC	7.00
Grainger PLC	6.94
Workspace Group PLC	6.78
Primary Health Properties PLC	4.91
Assura PLC	4.89
Londonmetric Property PLC	4.89
Big Yellow Group PLC	4.82
Secure Income REIT Plc	4.62

Sector Breakdown



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