

GRAVIS

UK LISTED PROPERTY

MONTHLY FACTSHEET

31 MARCH 2020

1

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.

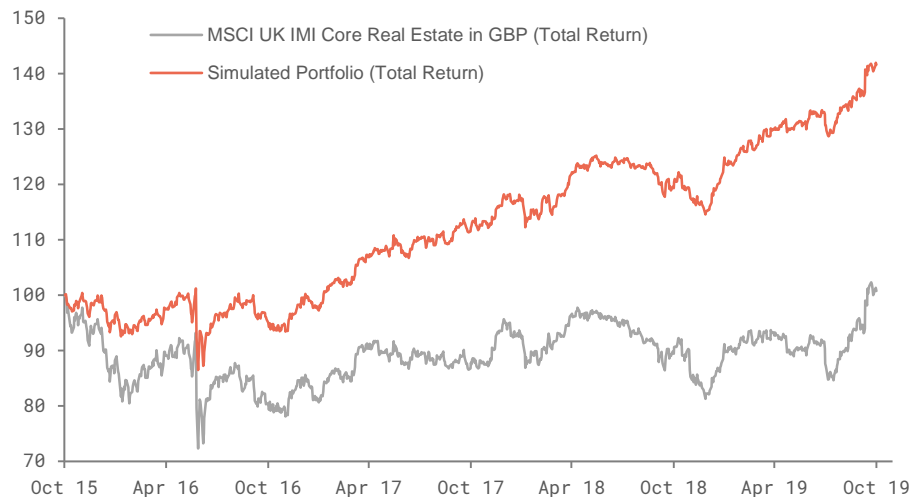
The Fund invests primarily in UK Real Estate Investment Trusts and initially excludes exposure to retail property companies. The Fund is advised by Gravis Advisory Limited who also advise the VT Gravis UK Infrastructure Income Fund and the VT Gravis Clean Energy Income Fund.

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	£24.9m
Net Asset Value per share as at 31 March 2020	A Acc (£): 86.36p A Inc (£): 85.70p F Acc (£): 86.61p F Inc (£): 85.93p
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

GRAVIS

UK LISTED PROPERTY

FUND ADVISER'S REPORT

We anticipate limited damage to our core universe and relatively better recovery for prices in our investments.

During March 2020, the NAV of the Fund fell by 15.35% (A Acc GBP) vs MSCI UK IMI Core Real Estate index which declined by 20.20%. Although the market has reacted violently, and daily, to Covid-19 news flow, we remain confident in our strategy of identifying and investing in companies which own some of the highest quality, most modern, well leased real estate in the UK. Many of the companies in which the Fund invests are, in our view, now so cheap they defy rational explanation.

The VT Gravis UK Listed Property Fund (GULP) portfolio is well diversified across 22 real estate companies, owning more than 5,000 properties, leased to more than 100,000 firms and individuals.

Within the real estate sector, the early signs are that shopping centres and hotels are more exposed to the economic consequences of managing the spread of the coronavirus than, for example, last mile distribution facilities. Since inception, the Fund has avoided investing in retail and hospitality focused REITs, instead maintaining a focus on the provision of accommodation for the UK's ageing population, digitalisation, generation rent and urbanisation. At a portfolio level this focus has the benefit of translating into relatively long leases which, on average, exceed eight years, making the majority of rental income highly predictable. The shortest leased investments held within the portfolio are the self-storage and student accommodation assets which are continuing to lease well. That said, the purpose built student accommodation REITs have taken the responsible and fair action of allowing students to leave their rental accommodation for the remainder of the academic year without penalty.

Given the recent cut to the Bank of England base rate and the decline in government bond yields, the sell-off in real estate companies has driven the yield spread to its widest, most attractive, level in a decade. This is especially noteworthy as several holdings have a long track record of annually increasing their dividends. For example, both Derwent London, the owner and developer of design-led office space, and Primary Health Properties, the owner of GP surgeries, have both increased their dividend per share every year for more than two decades – a truly staggering achievement. We expect them to continue to be 'steadily earning' through the current turmoil and beyond.

Whilst the Fund is not immune to the panic currently gripping financial markets, when events normalise, as we anticipate they will do in time, and investors appreciate the limited damage to our core universe, we think it is reasonable to anticipate a relatively better recovery for prices in our investments. Indeed, the dramatic cut to interest rates in the UK merely increases the attractiveness of high quality real estate, especially those assets which benefit from index-linked leases with strong tenants. During March investor inflows were deployed across all four mega trends and, consistent with the buy and hold investment philosophy, no stocks were sold.

Real estate remains an attractive asset for the long-term and real estate equities benefit from owning assets that have intrinsic value and contractual cashflows. As investor sentiment improves we expect real estate equity prices to rebound and reflect the strong cashflows that underpin REITs.

Matthew Norris, CFA
Fund Adviser
Gravis Advisory Ltd
matthew.norris@graviscapital.com

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.£3.1bn of assets in these sectors in the UK.

Gravis Advisory Limited is Investment Adviser to the c.£539m 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 Schroders.

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

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.

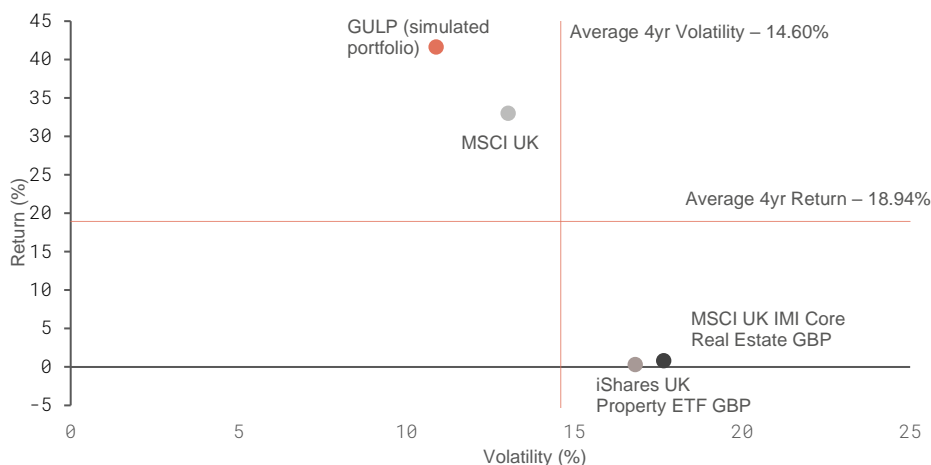
¹www.londonstockexchange.com/specialist-issuers/reits/reits.html

GRAVIS

UK LISTED PROPERTY

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
James Hay	

Sales Contacts

Cameron Gardner 07835 142763
cameron.gardner@graviscapital.com

Ollie Matthews 07787 415151
ollie.matthews@graviscapital.com

Robin Shepherd 07971 836433
robin.shepherd@graviscapital.com

Nick Winder 07548 614184
nick.winder@graviscapital.com

William MacLeod 07836 695442
william.macleod@graviscapital.com

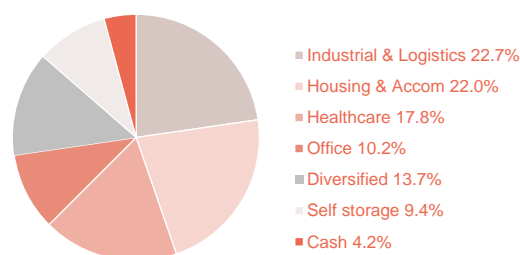
Dealing

Valu-Trac 01343 880344
Gulp@valu-trac.com

HOLDINGS (As at 31 March 2020)

HOLDING	%
SEGRO Plc	7.42
Tritax Big Box REIT Plc	7.30
Grainger Plc	7.28
Unite Group Plc	6.60
Assura Plc	6.46
Primary Health Properties PLC	6.02
Workspace Group Plc	5.80
Big Yellow Group Plc	5.22
Londonmetric Property Plc	4.60
Safestore Holdings Plc	4.22

Sector Breakdown



DISCLAIMER

WARNING: The information in this report is presented by Valu-Trac Investment Management Limited using all reasonable skill, care and diligence and has been obtained from or is based on third party sources believed to be reliable but is not guaranteed as to its accuracy, completeness or timeliness, nor is it a complete statement or summary of any securities, markets or developments referred to. The information within this report should not be regarded by recipients as a substitute for the exercise of their own judgement.

The information in this report has no regard to the specific investment objectives, financial situation or particular needs of any specific recipient and is published solely for informational purposes and is not to be construed as a solicitation or an offer to buy or sell any securities or related financial instruments. In the absence of detailed information about you, your circumstances or your investment portfolio, the information does not in any way constitute investment advice. If you have any doubt about any of the information presented, please consult your stockbroker, accountant, bank manager or other independent financial advisor.

Value of investments can fall as well as rise and you may not get back the amount you have invested. Income from an investment may fluctuate in money terms. If the investment involves exposure to a currency other than that in which acquisitions of the investments are invited, changes in the rates of exchange may cause the value of the investment to go up or down. Past performance is not necessarily a guide to future performance. Any opinions expressed in this report are subject to change without notice and Valu-Trac Investment Management Limited is not under any obligation to update or keep current the information contained herein. Sources for all tables and graphs herein are Valu-Trac Investment Management unless otherwise indicated.

The information provided is "as is" without any express or implied warranty of any kind including warranties of merchantability, non-infringement of intellectual property, or fitness for any purpose. Because some jurisdictions prohibit the exclusion or limitation of liability for consequential or incidental damages, the above limitation may not apply to you.

Users are therefore warned not to rely exclusively on the comments or conclusions within the report but to carry out their own due diligence before making their own decisions.

Unless otherwise stated Equity Market price indices used within this publication are sourced or derived from data supplied by MSCI Inc 2020.

Valu-Trac Investment Management Limited and its affiliated companies, employees of Valu-Trac Investment Management Limited and its affiliated companies, or individuals connected to them, may have or have had interests of long or short positions in, and may at any time make purchases and/or sales as principal or agent in, the relevant securities or related financial instruments discussed in this report. © 2020 Valu-Trac Investment Management Limited. Authorised and regulated by the Financial Conduct Authority (UK), registration number 145168. This status can be checked with the FCA on 0800 111 6768 or on the FCA website (UK). All rights reserved. No part of this report may be reproduced or distributed in any manner without the written permission of Valu-Trac Investment Management Limited. Valu-Trac™ is a registered trademark.