

GRAVIS

UK LISTED PROPERTY

MONTHLY FACTSHEET

30 NOVEMBER 2020

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, is unconstrained, and currently excludes exposure to retail property companies.

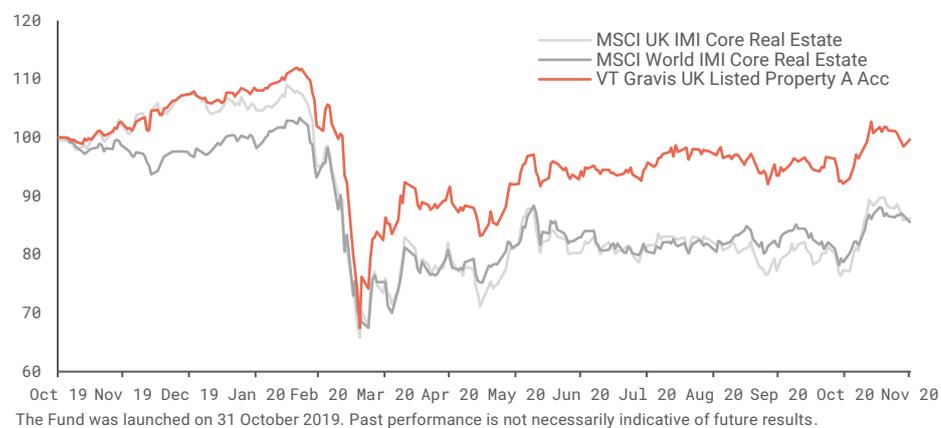
FUND OBJECTIVES

- 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.

*We expect this to be a period of 7 years

PERFORMANCE CHART

(Total Return after charges) 31/10/2019 – 30/11/2020

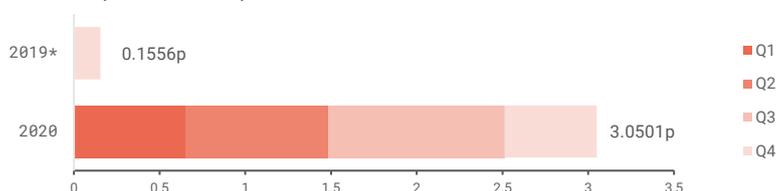


RETURNS

	1 MONTH	3 MONTHS	6 MONTHS	12 MONTHS	SINCE INCEPTION	VOLATILITY	YIELD
VT Gravis UK Listed Property	8.15%	1.91%	8.33%	-2.93%	-0.36%	30.80%	3.16%
MSCI UK IMI Core Real Estate	11.34%	4.10%	6.38%	-15.84%	-13.86%	31.55%	3.17%
MSCI World IMI Core Real Estate	8.69%	4.60%	5.45%	-13.38%	-14.47%	28.91%	4.02%

DIVIDENDS

Dividends paid since inception to 30 November 2020 for A GBP Income share class.



Company overview

Name	VT Gravis UK Listed Property (PAIF) Fund
Regulatory Status	FCA Authorised NURS OEIC with PAIF Status
Sector	IA Property Other
Launch Date	31 October 2019
Fund Size	£30.59m
Net Asset Value per share as at 31 October 2020	A Acc (£): 99.65p A Inc (£): 96.38p F Acc (£): 100.40p F Inc (£): 97.14p
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

FUND ADVISER'S REPORT

The rally in November highlighted the importance of time in the market as opposed to timing the market.

Over the course of November 2020, the NAV of the Fund increased by 8.15% (A Acc GBP), the best monthly performance since inception and a reflection of the positive sentiment surrounding the potential effectiveness of Covid-19 vaccines. Since launch the Fund has declined by 0.36%, outperforming both the UK real estate index¹, which has declined by 13.86%, and the global real estate index² which has declined by 14.47%.

At the end of the month the Fund declared a dividend of 0.5376p (A Inc GBP), this is the fourth distribution for 2020 and the fifth consecutive quarterly distribution since inception. In aggregate, 2020 distributions represent a trailing yield of 3.16%.

To maintain their general tax-exempt status, UK REITs are required to distribute 90% of rental profits. Over the past decade reinvesting this income has created a significant compounding benefit for investors. While the appreciation in UK real estate share prices³ has delivered 3.81% annualised return, thanks to the power of compounding this almost doubles to 7.48% through the reinvestment of dividends and eclipses the 5.50% compound annual total returns generated by the broader UK stock market⁴.

The sharp appreciation in REIT prices during November and the corresponding appreciation in the value of the Fund highlighted the importance of time spent invested in the market as opposed to timing the market. November was a great month for UK REITs³, up 10.6%. The sixth best month this century. Monday 9th November turned out to be the 2nd best day for UK REITs in the past 10 years.

Not many would have predicted the precise timing and magnitude of this vaccine induced bounce. And it is clear that there is a potential cost for those who attempt to market time. Missing out on just the ten largest up days in the past 10 years would have dramatically reduced returns with the 7.48% annualised return dropping to just 1.80%.

Since inception the Fund has run with a low level of cash, averaging just 2.8%. This low cash position and the moderate levels of leverage deployed by the real estate

companies held within the Fund is in stark contrast to many open-ended direct property funds. The Financial Conduct Authority estimated that UK daily dealing direct property funds hold, on average, 17% in cash. Holding a high level of cash is inefficient because property, and by extension REITs, should, over the medium term, continue to deliver higher returns. With interest rates having been at or below 0.75%⁵ for over a decade it is hardly surprising that over the past 10 years REITs have outperformed direct property funds delivering 7.48%³ annualised returns versus 4.06%⁶, respectively.

Of course, staying invested means experiencing the bad days as well as the good, but real estate equities, especially those exposed to powerful socio-economic trends (e.g. ageing population, digitalisation, generation rent and urbanisation), have tended to rise over time.

A buy and hold investment strategy does not mean do nothing, stock-picking matters and continual fundamental investment research is required to ensure that the Fund remains well positioned to capture the returns generated by enduring mega trends.

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.£3.3bn of assets in these sectors in the UK.

Gravis Advisory Limited is also the Investment Adviser to the c.£682m VT Gravis UK Infrastructure Income Fund and the c.£188m VT Gravis Clean Energy Income Fund.

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.£1bn 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.

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

² MSCI World Real Estate Net Total Return Local index.

³ European Public Real Estate Association UK index.

⁴ MSCI UK All Cap Equity Total Return index.

⁵ Bank of England base rate.

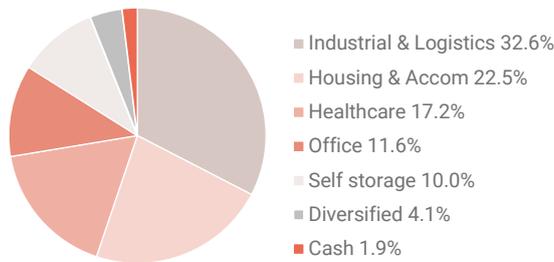
⁶ IA UK Direct Property sector.

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 qualifying UK 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

SECTOR BREAKDOWN



HOLDINGS

Top 10 Holdings (as at 30 November 2020)

COMPANY	Percentage
SEGR0 PLC	8.50%
Grainger PLC	7.63%
Tritax Big Box REIT PLC	7.62%
Assura PLC	7.40%
Unite Group PLC	7.32%
GCP Student Living PLC	5.50%
Urban Logistics Reit PLC	5.39%
Safestore Holdings PLC	5.03%
Big Yellow Group PLC	4.99%

PORTFOLIO WEIGHT BY ESG METRIC



Data as at end of July 2020. Underlying data will be updated on an annual basis. Holdings ranked by size. Graphics show proportion of 'Yes', 'No', 'In progress', 'In review', 'No' and 'N/A' by holding weight. For more information see [here](#).

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Platforms

Aegon	Interactive Investor
AJ Bell	James Hay
Allfunds	Novia
Ascentric	Nucleus
Aviva	Old Mutual
Barclays SmartInvestor	Pershing
CoFunds	Raymond James
Fidelity	Sanlam
Funds Network	Standard Life
FNZ	Standard Life Elevate
Hargreaves Lansdown	Transact
Hubwise	Zurich

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